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Daily Report

Latin America

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FBIS-LAT-94-156 *12 August 1994*

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Mercosur 5 Aug Joint Declaration

PY1208040594 Sao Paulo GAZETA MERCANTIL in Portuguese 8 Aug 94 p 6

["Text" of joint declaration signed by Argentine President Carlos Menem, Brazilian President Itamar Franco, Paraguayan President Juan Carlos Wasmosy, and Uruguayan President Luis Alberto Lacalle at the Common Market of the South, Mercosur, summit in Buenos Aires on 5 August]

[Text] Mercosur Member Country Presidents' Joint Declaration.

1. The Fourth Meeting of the Common Market Council gathered in Buenos Aires, Argentine Republic, on 5 August 1994 in accordance with what is established in Article 11 of the Treaty of Asuncion. Attending the meeting were Argentina's President Carlos S. Menem, Brazil's President Itamar Franco, Paraguay's President Juan Carlos Wasmosy, and Uruguay's President Luis Alberto Lacalle.

2. The presidents expressed their approval of the presence at the meeting, as special guests, of Chile's President Eduardo Frei and Bolivia's Vice President Victor Hugo Cardenas.

3. The presidents expressed their deep sadness and indignation at the crime perpetrated against the Argentine people with the recent attack on the Argentine-Israeli Mutual Association that left dozens of Argentine people dead and dramatically affected the Jewish community living in that nation. The presidents, deeply moved by the tragic consequences of this irrational and unjustified act, reiterate their strongest repudiation of violent acts as the means to impose ideas.

4. The presidents reiterate their conviction that integration will contribute to promote development and social justice and to fight off economic backwardness, thus consolidating the four nations' democratic processes.

5. The presidents stressed that the Mercosur integration process can already show concrete results and reaffirmed their trust and hope in the region's future.

Similarly, the presidents emphasized with satisfaction the notable growth of Mercosur private enterprises, a fact outlining the region's entrepreneurs and workers leadership role in the integration process.

The presidents, therefore, stressed the importance of Mercosur as a definitive and inexorable process.

6. The presidents stressed the continuous increase in inter-regional trade, which is proof of the free trade zone's benefits.

This accelerated trade growth was encouraged by the Treaty of Asuncion liberalization program and the progressive elimination of trade obstacles between the four countries, which has inspired an accelerated entrepreneurial dynamism.

7. The presidents stressed the progress achieved toward the installation of a customs union, which established the bases of the common market, reaffirming the principles and goals of the Treaty of Asuncion.

8. In this context, the presidents expressed their deep satisfaction at the definition of a Mercosur common external tariff, which, together with the establishment of other instruments of common trade policies, constitute an essential target for materializing the objectives of the Treaty of Asuncion.

The presidents stressed that this act shows the four countries' determination to face integration process challenges by decisively confronting the regional and global economy's changing reality.

9. The presidents expressed their great satisfaction at the agreements on Mercosur origin regime, free duty and special custom areas, regional non-tariff obstacles' elimination or coordination, and export incentive coordination. These decisions are reflected in agreements adopted during the Fourth Meeting of the Mercosur Council and the 14th Meeting of the Common Market Group. They will provide the necessary instruments to the customs union and guarantee its correct implementation.

10. The presidents emphasized that the development and implementation of the other minimum requirements established in the Colonia Decision 13/93 will permit a harmonious progress toward the establishment of the customs union. All these decisions have an integral character and are indispensable for the new stage of the customs union to maintain a global balance and ensure, in the process, the achievement of common objectives and reciprocal interests.

11. The presidents also stressed the importance of increasing the coordination of Mercosur member countries' macroeconomic policies as an essential condition for a successful integration process.

12. The presidents agreed on the importance of creating the Mercosur Commerce Commission and the approval of its structure and operation. This inter-governmental organ will supervise the application of common trade policy instruments.

Within this framework, the presidents stressed the meaning of the upcoming diplomatic conference, which will be responsible for defining Mercosur definitive institutions. This is an indispensable element for the implementation of the integration treaty and the agreements that are gradually being reached in this context.

13. The presidents also expressed their satisfaction with the agreement on "Adaptation Regime" designed to help in the process of adaptation—of some productive activities in the four member countries—to the new rules of inter-regional trade.

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14. The presidents reiterated that Mercosur is open and turned toward a dynamic insertion into the world economy. The four presidents, convinced of Mercosur's singular importance in the region and the far-reaching consequences of the agreements signed on this occasion on the establishment of a customs union, reiterate the political purpose to continue advancing toward a more encompassing integration with other countries or groups of countries.

In this context, the presidents expressed their agreement with the approval of guidelines that Mercosur, as a group, will propose to other ALADI [Latin American Integration Association] member countries in order to negotiate free trade agreements.

The presidents expressed their satisfaction at the signing of joint declarations between Mercosur member countries and Chile and Bolivia expressing the decision to continue negotiating the creation of free trade zones.

15. The presidents will sign a declaration within the framework of Mercosur foreign relations especially appreciating the recent European Union heads of state and government declaration at the Corfu summit. The four member states receive the European decision to strengthen relations with Mercosur with an expression of the firm desire to jointly explore alternatives permitting the strengthening of current links.

16. The presidents were especially pleased with the signing of the "Agreements on Recognition of Authentications and Primary and Medium Level Nontechnical Studies and Degrees," making it easier for Mercosur children and youngsters to continue their studies in any of the other member countries.

17. The presidents underscored the importance of the "Buenos Aires Protocol" on international jurisdiction over contracts, by means of which member countries have adopted common regulations on international jurisdiction over contracts within the Mercosur to promote and guarantee the furthering of economic relations between the private sector and member countries.

18. The presidents, conscious of the connection between commerce and investment, stressed the approval of the "Protocol for the Promotion and Protection of Investments Made by Third Countries" issued by the Mercosur member countries' governments, which complements the Colonia protocol on the reciprocal promotion and protection of investments between Mercosur member countries.

19. The presidents also outlined the approval of the resolution on "Appropriate Documents Provided by Each Member Country for the Movement of Mercosur Citizens." This norm has great meaning for the peoples of the four partners and it is the first step to facilitate the movement of people within Mercosur.

20. The presidents stressed the importance of preserving the environment within Mercosur and outlined the approval of "Basic Guidelines" in the area of environmental policy.

21. The presidents also stressed their satisfaction with the agreement on "Transport of Dangerous Products" that will permit the exchange of goods in this category respecting norms on safety designed to protect people and the environment.

22. The presidents expressed their satisfaction with the ongoing cooperation with the Inter-American Development Bank (IDB) in support of Mercosur negotiations. They expressed satisfaction with this institution's willingness to start a new phase of cooperation directed to the technological and productive retooling of small and medium-sized enterprises.

The presidents also stressed the importance of cooperation with the European Union which contributed to developing the technical studies needed for the integration process.

23. The presidents emphasized their expectation that the signing of the final document approving the result of the Uruguay Round of GATT talks in Marrakech, on 14 April, will result in the effective strengthening of multilateral norms governing international trade and will represent an improvement for the access to foreign markets.

24. The presidents agreed that the Mercosur integration process is not finished with the establishment of a customs union and renewed their commitment to develop new integration mechanisms.

This renewed joint effort will include, among other aspects, projects for the deregulation of the trade on services, the implementation of physical and energy infrastructure projects, the expansion and modernization of communications networks, and the promotion of joint projects in the scientific and technological area.

Because of all these things, the presidents understand that conditions are appropriate for starting a new stage on the path along which they are already moving—with solidarity and brotherhood—to achieve progress for all.

Mercosur Issues Protocol on Investments

PY1208025894 Sao Paulo GAZETA MERCANTIL in Portuguese 8 Aug 94 pp 7, 8

["Text" of Protocol for the Promotion and Protection of Investments Made by Third Countries, issued by Mercosur, Common Market of the South, member countries in Buenos Aires "in August"]

[Text] Protocol on the Promotion and Protection of Investments Made by Countries That Do Not Belong to Mercosur.

The Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay, and the Oriental Republic of Uruguay (hereafter called "Member Countries");

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Taking into account the Treaty of Asuncion signed on 26 March 1991, by which the Member Countries decided to create the Common Market of the South (Mercosur);

Considering the Colonia Protocol on the Reciprocal Promotion and Protection of Investments Within Mercosur approved by Resolution No. 11/93 of the Common Market Council, of 17 January 1994, that is designed to promote investments by investors of the Mercosur Member Countries within the territorial jurisdiction of the Treaty of Asuncion;

Aware of the need to attune the general laws that each Member Country will apply to investments by countries that do not belong to Mercosur (hereafter called "Third Countries") with the purpose of not creating various terms that may distort the flow of investments;

Aware that the promotion and protection of investments based on agreements with Third Countries will contribute to encouraging private enterprises and promoting the prosperity of the four Member Countries;

Have agreed to the following:

Article 1.

The Member Countries agree to not grant investments made by investors of Third Countries more favorable terms than those established by this protocol.

Article 2.

To this effect, the general treatment that each Member Country will agree to give Third Countries will not entail greater benefits and rights for the latter than those guaranteed to investors in the following regulations:

A. Definitions

1. The term "investment" will exclusively refer to investments, in compliance with the laws and regulations enforced in the territory of each Member Country, in:
a) real estate and property, mortgages, property in escrow and pawned property;
b) stocks and shares and other forms of membership with corporations;
c) credit bonds and rights on obligations; loans will only be included if they are directly linked to a specific investment;
d) rights on intellectual or immaterial property, especially author rights, patents, industrial designs, brands, commercial names, technical procedures, know how [preceding two words in English], and stock in trade;
e) economic concessions granted by law or contract, including concessions for research, plantations, extraction or exploration of natural resources.

2. The term "investor" will refer to:
a) any individual who is a citizen of a Member Country or a Third Country, in compliance with their respective laws. The terms of agreements reached will not apply to investments made in a Member Country by citizens of Third Countries if they, on the date of the investment, reside, according to the law enforced, permanently in the mentioned territory, unless it is proven that the funds for the given investment come from abroad;
b) any enterprise established in compliance with the laws and regulations of a Member Country or Third Country whose headquarters is located in the territory where it was established;
c) any enterprise established in compliance with the laws of any country that is managed by individuals or enterprises described in items a) and b) of this paragraph.

3. "Profit" will refer to all utilities obtained from an investment such as profits, income, dividends, interest, royalties, and other revenues.

4. The term "territory" will refer to the national territory of each Member Country or Third Country, including the maritime zones adjacent to the external border of the national maritime territory over which the Member Country or Third Country has, in compliance with international law, jurisdiction or sovereign rights.

B. Promotion of Investment

1. Each Member Country will promote, within its territory, investments made by Third Country investors and will authorize these investments in compliance with its legislation and regulations.

2. Each Member Country will authorize investments whenever it deems it necessary.

C. Investment Protection

1. Each Member Country will guarantee a just and fair treatment of investments made by Third Country investors and will not impair their management, maintenance, exploitation, use, and availability through the adoption of unjust or discriminatory measures.

2. Each Member Country will grant full protection to these investments and will not be able to treat them less favorably than their own national investors or those from other countries.

3. Member Countries will not grant Third Country investors any benefits of any kind, prefernces, or priviliges resulting from:
a) Their participation or association in a free trade zone, custom agreement, common market, or similar regional agreement;
b) An international agreement that fully or partially deals with taxes.

D. Expropriations and Indemnities

1. No Member Country will nationalize, expropriate, or adopt any measure having a similar effect, against investments made by Third Country investors, unless such measures are adopted for reasons of public nature or social interest on the basis of nondiscriminatory measures and through due process of law. These measures will be accompanied by regulations establishing the payment of a fair, adequate, immediate, or opportune indemnity.

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The total sum of this indemnity will be equal to the value of the investment expropriated.

2. Third-country investors who experience losses in their investments resulting from wars or other armed conflicts, national emergencies, uprisings, insurrections or disturbances in a Member Country will receive from the Member Country a treatment that is no less favorable than that granted to its own investors or investors from other countries regarding compensations, indemnities or other forms of reparations.

E. Transferences

1. Each Member Country will allow Third Country investors to freely transfer their investments and dividends, and particularly but not exclusively, the following:
a) The capital and additional sums needed for the maintenance or development of investments;
b) The benefits, profits, income, interests, dividends or other revenues;
c) Loan reimbursment funds as defined in article 2, letter a, paragraph 1c;
d) The royalties and fees, and all other payments related to the rights encompassed in article 2, letter a, paragraph 1d and e;
e) That which is obtained from the total or partial sale of an investment;
f) The indemnities or other payments encompassed in article 2, letter d;
g) The fees of Third Country nationals authorized to work in investment-related activities.

2. The transferences will made without delay and in a free currency.

F. Subrogation

If, in compliance with guarantees or insurance issued to cover non-commerical risks of an investment, a Third Country or an agency appointed by it is obliged to pay an investor, the Member Country in whose territory the investment was made will wave the validity of the subrogation and any of the investor's rights or certificates in favor of the Third Country, or one of its agencies, to be able to obtain the proper indemnity.

G. Solution of Controversies Between a Member Country and a Third Country

1. Whenever possible, controversies that may arise between Member Countries and Third Countries regarding the interpretation or implementation of the agreement signed by them will be solved through diplomatic channels.

2. If it is not possible to solve the controversy in this manner within a previously established reasonable period of time, it will be subjected to international arbitration.

H. Solution of Controversies Between a Third Country Investor and a Member Country That Received the Investment

1. Any controversy over the interpretation of an agreement on the reciprocal promotion and protection of investments that may surface between a Third Country investor and a Member Country will, as much as possible, be solved through friendly talks.

2. If the controversy cannot be solved within a reasonable period of time from the moment it is raised by one or the other party, it may be submitted, at the investor's request:
a) to the competent courts of the Member Country in which the investment was made; or
b) to an international arbitration, according to the terms described in paragraph No. 3.

From the moment the investor places the controversy under the jurisdiction of the Member Country involved or submits it to an international arbitration, the choice of one or the other alternatives will be definite.

3. Should international arbitration be chosen, the controversy may be submitted, at the investor's request, to an ad hoc arbitration court or an international arbitration institution.

4. The arbitration organ will base its ruling on the agreement signed; on the rights of the Member Country involved in the controversy, including the regulations referring to conflicts between legislations; on the terms of the private agreements eventually reached regarding the investment; and on the International law principles on the subject.

5. The arbitrator ruling will be definite and mandatory for the parties involved in the controversy. The Member Country will honor the ruling in compliance with its law.

I. Investments and Controversies Included in the Agreement

The terms of the agreements to be signed may apply to all investments made before and after their implementation, but are not applicable to any controversy, demand, or disagreement that may surface before their implementation.

J. Term and Duration

The agreements will be valid for a minimum of 10 (ten) years. With regard to investments made before the date of expiration of the agreement, the Member Country will be able to authorize the regulations encompassed in it to continue to be enforced for a maximum period of 15 (fifteen) years as of that date.

Article 3.

The Member Countries commit themselves to exchange information on future negotiations and those under way on the promotion and reciprocal protection of investments of Third Countries. They will hold previous consultations about any substantial amendment to the general treatment established in Article 2 of the present

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protocol. To this effect, the Commission for the Promotion and Reciprocal Protection of Investments of the Common Market Group [tile as published], or the eventual forum that will replace it, will be the competent technical body to channel consultations or the exchange of pertinent information on this issue.

Article 4.

The present protocol is part of the Treaty of Asuncion.

The adherence of a government to the Treaty of Asuncion will by the law itself [previous three words rendered in Latin] signify an adherence to the current protocol.

This protocol will be enforced 30 (thirty) days after submitting the fourth ratification document.

The Government of Paraguay will be the depositary of the current protocol and of the ratification instruments. It will send a duly authenticated copy of them to the governments of the other Member Countries.

Drafted in the city of Buenos Aires, in August 1994, in one original copy, in Portuguese and Spanish, the two texts being equally authenticated.

[Signed] On behalf of the Argentine Government by [Foreign Minister] Guido Di Tella;

On behalf of the Brazilian Government by [Foreign Minister] Celso L. N. Amorim;

On behalf of the Paraguayan Government by [Foreign Minister] Luis Maria Ramirez Boettner;

On behalf of the Uruguayan Government by [Foreign Minister] Sergio Abreu.

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Cuba

Castro Interview on Illegal Immigration

FL1208125994 Havana Radio and Television Networks in Spanish 0300 GMT 12 Aug 94

[Interview with President Fidel Castro by program host Hector Rodriguez; GRANMA reporters Rosalia Arnaez, Arleen Rodriguez, and Luis Baez; and reporter Susana Lee in Tele Rebelde Television's Studio 11 in Havana; from the "This Very Day" program—live]

[Text] [Hector Rodriguez] Good evening, television viewers. Because of the events of the last 72 hours, here once again we have, in the "This Very Day" program's Studio 11, the president of the Republic of Cuba, Commander in Chief Fidel Castro, whom we welcome. Good evening, commander.

[Castro] Good evening.

[Hector Rodriguez] Like last Friday, we also have a panel of reporters. Susana Lee and from GRANMA newspaper we have Luis Baez, Rosalia Arnaez, and Arleen Rodriguez. Now that we have made the introductions, we now allow the commander in chief to speak.

[Castro] Hector, I would like to apologize for the hour, but I kept in mind there was an important sporting event that our people traditionally follow always with great interest. Some complained and asked why we should delay this information. These topics are more important than sports. But I think it is also important to be considerate of people and of the hundreds, thousands, or millions of people who wanted to watch this game today. I did not want to interrupt it, although I admit politics and all these events are more important, I thought we could perfectly include both things. I think people can be a little patient and show a little interest.

I asked precisely for a meeting with the same group of journalists, not as a special privilege but to continue our conversation of 5 August.

In this case, I want to review and talk about the serious incident which took place on 8 August, a little over 72 hours ago, and which is related to the hijacking and murder of an officer, which took place in the port of Mariel. I can explain it now because we had not been able to release the information before. We had the first report on the event relatively fast but we received the report on the preliminary investigation on 9 August. I have basic information on that preliminary investigation of the hijacking of the ferrocement boat from Military Unit No. 4349. It was an auxiliary boat from that unit.

The hijacked boat was normally used for transportation to the entrance and departure by members of Military Unit No. 4349 and by civilian workers. It made three trips a day.

Our investigations established that the departure in question was at 1650 on 8 August 1994—of the ferrocement launch from that unit, which provides the service, with a crew of three seamen and with Navy Lieutenant Roberto Aguilar Reyes, chief of the motorboat. They usually have an officer on board as part of the measures being taken to prevent incidents of this kind. It headed for the Playa La Boca Wharf at the port of Mariel.

I have a little map here, but I will not use it because it is a little complicated, but it is located right here at the port's exit. It is a pretty big port, but to go from one place to the other you have to make a huge turn. In this case the motorboats provide an important service. It is like the situation in Regla.

The boat was headed for the Playa La Boca Wharf at the port of Mariel, where it dropped off three civilian workers from the military unit at the end of the day's work; it was the final trip.

When it prepared to leave La Boca Wharf at 1730 hours, that is, at 1730, Leonel Macias Gonzalez, a seaman in the general military service, was at the dock. This seaman had several months service. He asked to be taken to his unit, explaining that his vacation was over and that he had to turn in a medical certificate. Navy Lieutenant Aguilar Reyes authorized him to board the vessel. Undoubtedly, this was careless of him, because what later took place was treason. He was giving a ride to someone he knew.

During the trip, in the vicinity of the Lazarete Cove and four meters from Channel Marker No. 1 in the bay's channel, meaning while enroute to their unit, Macias Gonzalez pulled a revolver out of a basket and fired two shots at the officer, who was caught off guard. The officer, seated in the stern, fell into the ocean mortally wounded, according to statements by members of the crew. He took a shot in the abdomen and a shot in the head. He was caught off guard, treacherously. This is what we learned from the other three crew members of the vessel.

Immediately thereafter the hijacker threatened the three seamen: motor operator Arnel Batista Cus, Mate Osmany Perez Ramos, and Second Mate Arquimedes Fernandez Silva, and compelled them to sail to the La Arenera dock, close to the cement factory. Once there he told them to lie on the deck, while a group of approximately 30 people boarded the vessel. I believe it was later determined that it was less than 30, but this is the number the seamen reported.

After these people boarded the vessel, some 60 meters from the coast, the murderer compelled the three seamen to jump overboard. Then the boat proceeded to exit Mariel Bay. The vessel used is of the ferrocement type, eight meters long and three meters wide. It has a maximum speed of between six and seven knots with a 3DE motor. It was not outfitted for long trips and did not have means for navigation or communications, nor lights.

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There were more than 15 men in the group, according to the crewmen, as well as several women and children. That is to say, that yet another adventure of this type was attempted on this vessel and under those conditions.

As usually occurs in these cases, the Border Guard transmitted a message to the U.S. Coast Guard. I have here the message that was transmitted to the Coast Guard in Miami:

Havana City, 8 August 1994. To the Coast Guard Service in Miami, from the Cuban Border Guard Troops. Subject: Hijacking of vessel from the port of Mariel.

It says: At 1740 local time, on 8 August 1994, a group of armed citizens forcibly hijacked the Cuban Navy auxiliary vessel, ferrocement boat 5034—they did not have all the information yet. They did know how many there were, whether there was one or two. It just says a group. Their objective was to set a course for U.S. territory. According to statements by witnesses, the leader of the hijacking, whose name is Leonel Macias Gonzalez, murdered the vessel's skipper, shooting him twice. Macias Gonzalez shot the Cuba Navy lieutenant, whose body fell into the water. The other three members of the crew were overpowered and forced to jump overboard.

This is precise information about what happened, based on what they knew and what the three sailors told them.

Second. As the hijackers refused to halt, the Cuban Border Patrol boats called off their escort of the vessel to prevent the death of women, children, and other innocent people.

I do not think there were innocent men on board. The innocent people were the women and the children. Essentially the children, but there were women, and women deserve all due respect. The others were men, and they were accomplices. That is how the Border Guard members' message is written: With the intention of preventing the death of women, children, and other innocent people—they had no way of knowing for sure that there were no other people on board, for example a hostage or something like that. This is always possible. I try to determine things—the Cuban Border Guard boats called off their escort of the vessel at latitude 23 degrees 16 minutes north, longitude 82 degrees 36 minutes west, bearing 0-10 degrees, at seven knots. Greetings, Cuban Border Guards Troops. This was broadcast at 2230 local on 8 August 1994 and received at 2300 local at the command post on 8 August 1994. These are just small pieces of information here.

So the U.S. Coast Guard was informed of what was going on. The U.S. Coast Guard replied the next day just before sundown. The message said: Miami Coast Guard Service to Cuban Navy Border Troops. Reference: Cuban Navy Auxiliary Vessel 5034. At 1940 UTC, a U.S. Coast Guard unit located the Navy Auxiliary Vessel 5034 at latitude 23 degrees 44 minutes north, longitude 82 degrees 26 minutes west. The boat was taking on water and had practically sunk. In other words, if our our Border Guard Troops' personnel had not notified them the boat would have sunk. The 26 people on board were transferred safely to the Coast Guard cutter Courageous. Greetings, Miami Coast Guard Service. The message was received at 2236 local on 10 August 1994.

This was the situation at that point, was it not? This was on 9 August; there is a mistake here. This was on 9 August, because I received the other message before and they found the boat later. There is a mistake in the date here.

All we knew at this point is what the three crew members who were forced to jump into the water said. All we knew is that a man was murdered and that his body had not been recovered. The preliminary report says that the officer's body has not been recovered. According to this preliminary report, which was drafted on 9 August explaining the events, the body had not been found yet. Then, the fact that the Navy lieutenant's body, for which there was an exhaustive search, was not found created a special situation, which they used in the most cynical manner to disguise the true events. Early on the morning of 10 August the body had not yet been found. The search for that body was comprehensive and around-the-clock. Why? To obtain proof of the murder. The body was not found until 1100 on 10 August. What did they do in the meantime? They began to give their versions and their report to the world—slanderous, false—they tried to cover up the fact and protect the culprit and his accomplices in the murder.

I have some dispatches here with some underlined passages:

Miami, 10 August, REUTERS. The official who was allegedly killed by a Cuban boat's hijackers is alive and was the person who reportedly took control of the boat to take it to Florida, the U.S. Coast Guard reported today. Take note that the U.S. Coast Guard received the message and answered, but it did not mention anything about the murder. Instead, it reported that the officer who was allegedly murdered by the hijackers was alive and reportedly took control of the boat to take it to Florida—just imagine! Our information disclosed no one died. The person who was supposedly murdered was on board said [Lieutenant Commander Steven] Banks, who was....[pauses] I think he was the Coast Guard commander. Later it says who he is. They covered up for the hijacker and murderer of the Navy lieutenant who was killed.

This is a dispatch released on the same day: 10 August, NOTIMEX. The U.S. Government lacks any proof to confirm whether the 26 Cubans who hijacked a Cuban Navy boat killed an officer and threw the others into the sea, it was reported today by State Department spokesman Michael McCurry. We have no confirmation that a Cuban Army officer was killed, but the Justice Department did not find any weapons or any uniformed

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people on board the Cuban boat. The 26 passengers were questioned by Justice Department personnel, but so far we have no independent confirmation of what is claimed by the Cuban Government, McCurry stressed, referring to Havana's accusations regarding the officer's murder. See how the news was slanted in one direction!

The news that a Cuban militiaman died during the hijacking seemed to be clarified, it is stated in an EFE dispatch issued on the same day. A State Department spokesman said today, Wednesday, that despite Havana's accusations and considering that the refugees and criminals should be tried, the United States currently has no intention to return them to Cuba. They will remain in the U.S. Government's custody until the incidents are cleared up, the spokesman added. A Coast Guard officer, Steven Banks, even said the Cuban militia officer who was reportedly killed could be on board. But this statement has not been officially confirmed.

Another NOTIMEX dispatch: Immigration and Naturalization Service spokesmen pointed out that the Cubans who fled the island by seizing a Cuban Navy cement boat will not be deported. We do not believe anyone died during that incident. There is no proof the boat was taken by force, Steven Banks said.

The captain of the boat Courageous, (Jim House), I imagine it is pronounced House, where the Cubans spent the night, said they were not arrested and termed the operation routine. He also said the refugees did not speak about the murder of a captain, for which they are accused in Cuba. He explained none of the refugees carried weapons.

Miami, 10 August, 1994, UPI—see all the cable reports. The 26 Cuban refugees who hijacked the military boat and were rescued by the U.S. Coast Guard include the Navy Lieutenant that the Cuban Government said had been murdered, it was revealed today by the U.S. authorities. Lieutenant Steven Banks, commander of the first Coast Guard vessel which approached the hijacked ferrocement boat declared that, according to the conversations with the refugees, no one was killed at any time during the escape operation. When the 26 Cubans landed in Key West, it could be observed that one of them, supposedly the Navy lieutenant, was wearing a camouflage uniform, which led to speculation that he might have been the one who organized the hijacking.

Another cable report from EFE: Local media included the statements of Commander Steven Banks and Dell Mulligan, a patrol officer who assisted the 26 Cuban refugees in the beginning and who was not convinced a murder had taken place after speaking to the refugees. Our interviews indicated that no one was murdered. The person, who was supposedly murdered, was inside the boat. He is a military officer of a certain rank, according to the MIAMI HERALD. The SUN CENTINEL of Fort Lauderdale—Lauderdale, I pronounce it in Spanish—reported today that according to Banks, the man the Cuban Government said had been murdered was actually the hijacker.

All the news dispatches, all the information are of this type, fooling the world, deceiving the world, misconstruing the facts with incredible cynicism.

[Hector Rodriguez] This was an affirmation.

[Castro] Yes.

[Hector Rodriguez] They affirmed this.

[Castro, interrupting] Yes, all the cable reports did. They were all along those same lines. I will not read more because I think....[pauses] all the news agencies said the same thing: Official U.S. sources said on Wednesday that probably there was no murder on board, etc. This includes AFP. That is what they have reported. This is how, through the mass media, it is reported to the world what allegedly took place. Perhaps they had the hopes that the Navy lieutenant's body would not show up. Our situation was truly complex because we had the testimony of the three crew members, who reported what happened. The search for the officer was carried out everywhere—at the house, through all his relatives, everything, and at sea. An enormous effort was exerted to find the body but the body could not be found.

I can assure you that if the body had not been found they would have been telling the world that the lieutenant—that there was no murder and that the allegedly murdered officer was the one who had hijacked the boat. It is truly difficult to imagine such cynicism.

NOTIMEX had another dispatch. Bob Menendez, member of the House of Representatives, said that Cubans who resort to violence to get out of Cuba would not necessarily be prosecuted in the United States. This happened yesterday. Other dispatches started arriving today. Just see how they act; and how they lie—and they know they are telling a lie—because everyone questioned all those people and asked them for details. They issued this version to the world but, as soon as they released all the people who had been interrogated, another situation came up.

Key West, United States, EFE: The occupants of the boat that was hijacked on Monday at the port of Mariel in Cuba admitted today that some shots were fired during the incident. They said so at a news conference after being released in that city in southern Florida. The hijackers themselves started saying what had happened—aside from the body. The emotional and precipitate statements of the people who fled in a Navy boat that began to take on water 110 km from Key West were the first to admit that there was violence there. They admitted that violence had occurred so it was necessary to start inventing other theories. Their statements show how they deliberately lied. No one could explain it. They had not been told: Not a word to anyone. The minute they were released they began to tell everything that had happened aboard the boat, which is an extremely critical thing.

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Above all, it is irrefutable proof of the lack of seriousness, the lack of honorability, and the cynicism of U.S. authorities. I do not know what they will say now—or what they will do. I wanted to explain the facts like this, exactly how things happened, to you and the population.

[Hector Rodriguez] The first question. Rosalia.

[Arnaez] Commander, you were talking about—rather, you were giving a detailed chronology of the incidents and mentioned the way in which the U.S. Administration, in bad faith, has been spreading different versions. The body of the Navy lieutenant was found. Do you have every proof that he was murdered in this act of piracy?

[Castro] Of course. It was proven. It was precisely the body that proved it, and they are admitting it themselves. Those who participated have admitted it. It confirms the statements given by the three crew members who told the truth of what happened. The corpus delicti, I believe that is what lawyers call it, appeared. Nevertheless, the situation was difficult. If the body had not been found it would have been truly difficult because we only had the three crew members' testimony to counter the legend that he was the one who hijacked the boat. The other one was identified as an officer when he had been barely four or five months in the general military service, while the man who was killed had many years in service, and had a beautiful history, a meritorious history in the service.

Imagine the situation: On 4 August, Lamoth was killed, and four days later Aguilar, the other officer, was killed. This occurred in less than a week. This gives you an idea of the level of encouragement and impunity experienced by the individuals who have carried out all these crimes, all these boat hijackings—complete impunity. Do you know what it takes to go there and kill this man while he is sitting down at the stern? He was far from imagining a traitor was on board and that he would pull out a weapon and murder him. This has occurred within a week. A feeling of absolute impunity must prevail for someone to do this. Of course, after they see all that is done with them. This is how everything happened. No one has been punished in many years. Boats and ships have been hijacked, and there has not been a single sanction, not a single sanction. What kind of confidence can one have at this time?

[Arnaez] THE MIAMI HERALD acknowledges that no one has ever been punished for this.

[Lee] Nevertheless, Commander, after all this, there is talk of the worrisome trend of violence. Spokesmen for the various agencies, the State Department, the Immigration Service... [pauses] In fact, with regard to dispatches and information, there was a dispatch reporting today that the murderer's girlfriend said that he fired in self-defense.

[Castro] The girlfriend said that?

[Arnaez] She stated this.

[Lee] This means that they are planning new ways to lie.

[Baez] Commander, in 1980, the murder of Pedro Cabrera was the straw the broke the camel's back. The guards were withdrawn from the Peruvian Embassy, and the incident of the Mariel episode occurred. Only a few days ago, Gabriel Lamoth Caballero, a Guantanamo youth, was killed. Recently, as you explained here, Navy Lieutenant Roberto Aguilar Reyes was killed. The infamous campaign you just explained has occurred. Could these actions be seen as the last straw that ended the patience of the revolution?

[Castro] I think that these actions are capable of putting an end to anybody's patience. I am reporting all this precisely to inform the national and international public, because we do not have mass media. The United States is solely responsible for these problems and this massive immigration. We cannot be blamed for this. This is what we are doing. We are informing the public. We continue demanding that they put an end to that policy. We maintain that demand. We continue demanding that they find quick, efficient, and serious solutions to this problem which they have created.

Today I will insist and repeat that we cannot be the guardians of U.S. borders. We are demanding from them, because this is a serious and grave problem, that they adopt quick, efficient, and serious measures. This is already a very difficult problem, which they created. They created the problem. They continue encouraging these actions and have created this situation of violence—attacks on boats and increasing the attempts to leave the country.

Meanwhile, we maintained the policy we explained the other day: We said that we would give facilities to anyone who wanted to leave the country legally; that we would give facilities to travel abroad and return; that we would give facilities to anyone who wanted to travel to Cuba from abroad and return to the country of origin. That has been our policy.

But they did exactly the opposite. They continued promoting and encouraging illegal departures by all means. The fact that no one has been punished is proof of this. It shows the lack of seriousness and the lack of responsibility of the U.S. Government. We want this to be clear and well understood, because the problems that this is causing and the inevitable problems that it will cause are the complete responsibility of the U.S. Government. I am just protesting another crime; I am protesting the cynicism with which these things are handled in public.

[Hector Rodriguez] They are deceitful people.

[Castro] When I say that they must find serious solutions, I am expressing the criteria that this is not merely a technical problem. Not even if they decide to punish one there—in their own way, if they decide to do that, or even if they decided to return one of those guys, they will not have solved any problem. This is not a matter of

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immigration talks or spending a whole year discussing immigration affairs while they continue with the policy they have been promoting so far.

The main instrument of the policy with which they encourage mass immigration is the criminal economic blockade they maintain against our country and the attempt to force our people to surrender as a result of hunger and disease. This is their main instrument of compulsion, which they use to encourage massive immigration. They also tolerate, permit, and encourage thousands of hours of radio transmissions per week, inciting subversion, disorder, sabotage, terrorism, and illegal departures from the country. When we mention this, they claim that those are private stations. We must add and remind them that the thousands of boats that would like to come here to pick up relatives here in Cuba are also private boats.

This argument makes no sense. I ask if any other country receives this treatment. That is to say, to discuss the matter seriously, to get to the bottom of the problem, would imply putting an end to the blockade and putting an end to the policy of constantly encouraging terrorism, crime, and illegal departures from the country. It would imply resolving the matter of the famous Cuban Adjustment Act of 1966, which grants Cubans privileges in immigration matters that no one else is granted, legitimizing the illegal immigration of Cuban citizens.

While we have laws—I think I have a copy around here somewhere—while we have laws that punish illegal departures—yes, we have the law here, Title 4, Chapter 11, section entitled Illegal Departures From the National Territory. We punish illegal departures while they have an act that legitimizes illegal departures from Cuba; it legitimizes the illegal entrance of Cubans into the United States.

They have created an absurd situation, incomprehensible to the world: they have an entire fleet trying to prevent Haitians from entering U.S. territory.

They have an enormous wall, thousands of kilometers long, along the border with Mexico to prevent the entrance of Mexicans. They deport hundreds of thousands of Mexicans year after year. They have another wall—one made up of Coast Guard vessels—at the Paso de la Mona, not to help the Dominicans but to stave them off, to keep them from reaching Puerto Rico. How many thousands of people have drowned? How many thousands of Haitians have drowned as a consequence of the measures adopted to prevent the migration of Haitians into the United States? To stave off migration, how many thousands of people of other nationalities have perished, have drowned?

No Latin American citizen receives these privileges. But it is not simply that they are given these privileges, but the fact that this is encouraged for political reasons. While we punish illegal departures from Cuba, they legitimize the departures from Cuba and the illegal entrance of Cuban citizens into the United States.

But also in order to get to the core of the problem is to discuss the policy, the strategy they have designed to destroy the Cuban Revolution—their plans to create violence in our country, create discontent to promote violence, bathe our country in blood as an instrument to destroy the revolution. Getting to the bottom of the problem is to discuss this. This is serious stuff—not foolish declarations that say nothing. Nothing of what the U.S. authorities have said so far is worth anything. They have not said anything serious. Absolutely nothing like that.

That is why I say this is a complex problem, a serious problem. It is more serious than ever, this problem. This is precisely why we have talked and are talking once more, and why we have argued and continue to argue time and again.

We tried to prevent the straw from breaking the camel's back, but the camel's back will be broken by them with all of these proposals and insofar as all these events are taking place, people feel they are being supported and protected. No, it is they who will break the camel's back. They are creating conditions for a mass exodus associated with these phenomena I have explained. These mass emigrations will inevitably occur as a result of what they have been doing.

[Hector Rodriguez] Arleen.

[Arleen Rodriguez] Commander, as has been reported in the dispatches we are receiving, and, as journalists who have been reviewing these dispatches, we have the feeling the statements are aimless and incoherent. On the one hand, it is being said the Florida governor emphatically pointed out they will do everything possible to deter the arrival of Cuban emigrants to the United States; on the other hand, the U.S. State Department was saying these hijackers need our help and compassion.

The last dispatch we had access to reported on a statement issued by Attorney General Janet Reno, who said violence will not be tolerated. One wonders how violent... [pauses] better yet, how nonviolent the hijacking of a boat can be—a boat as an asset that does not belong to the person who hijacked it. Any hijacking attempt is undoubtedly an act of violence. At any rate, I wanted to know if there has been any official and direct response to the Cuban Government? Has there been direct communication on these events, or even a response to the report you made earlier?

[Castro] They have established some contacts, communication between an official and our Cuban Interests Office. They have stated their concerns, and they have even talked about holding talks on immigration. However, as I previously said, this does not make sense. These talks now do not resolve anything. This will take months and years to do nothing. In addition, this will not

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resolve the problem, because they were the ones who created the conditions for the problem to boil. They have already created the problem.

The issue is not granting some 1,000 or 10,000 visas more or to grant a lower number of visas; it is not having our coast guards communicate. For what have these actions and communications been useful? In this case, they were useful to prevent the sinking of the boat, because without our reporting to them, the boat would have sunk.

I repeat: These actions fail to resolve the problem; they fail to come to the heart of the matter. None of these actions get to the heart of the matter. I am aware of that statement. I have a copy of the statement by the U.S. Attorney General's Office. I have it here. If you want, I can even read it to you. I will not even charge them for the publicity. The statement reads: Statement by the Attorney General on the Hijacking of Boats and Illegal Behavior, I mean, Legal Behavior. Washington D.C. Federal, state, and local authorities and the people of Florida agree that it is not in the best interest of the people of the United States or the people of Cuba to allow another exodus from Cuba similar to the Mariel boatlift. It is not in the best of their interest—perhaps this is a subtle threat. The solution to the immigration pressure being exerted from Cuba lies in swift, essential, and far-reaching economic and political reforms.

They are giving us advice. Just look at the level of arrogance, in an effort to use an elegant word. The uncontrolled exodus from Cuba does not help us face Cuba's internal problems, and it places yet more people at risk on the high seas. How can they say this after all they have been doing for years? The United States has declared repeatedly it will not tolerate another Mariel. This is another subtle threat to make us all tremble.

To this end, U.S.-flagged vessels that are apparently bound for Cuba must be stopped and boarded by the U.S. Coast Guard or other federal law enforcement officials to determine the intention or the intended destination, and the purpose for each boat's voyage. They have not done any of this. So far, boats have only come to fire at installations, boats have come to pick up people, and boats have come here to cause accidents. They have not said one word, but that is their problem. That is their problem.

I do not know how they will now board their boats. I do not know if they will search them. I do not know if they will fire on their boats or throw an anchor at the boats. I do not know if they will invent devices to... [pauses] we know for a fact that it is very dangerous to board boats at sea. Nevertheless, if they want to begin boarding their own people at sea, that is their problem.

However, this will not resolve any problems. History has demonstrated they are incapable of establishing order; they have been unwilling to establish order. They have instilled and have created a certain spirit—a spirit of disobedience and contempt for the law among many people. They are incapable of controlling these people.

Nevertheless, they want to recommend solutions that are not solutions; they do not get to the core of the problem. The things they are saying seem to be a joke. They are talking about taking steps and deploying the Coast Guard to prevent boats from traveling from there to here. We will see how this works.

An administrative or judicial confiscation action will be instituted in cases in which the confiscation of boats in favor of the U.S. Government is in order. Under appropriate conditions, individuals who violate the law will be tried by criminal courts. They are referring to U.S. citizens who break the law by coming here to pick up relatives. They now seem to be concerned over this phenomenon, but why now, after incidents have occurred, after reports have been made, and after they have been unmasked? So far, they had not done any of this.

The United States does not approve of the use of violence in the hijacking of airplanes or boats. They do not approve of it, and yet there is not one single case in the face of many acts of violence... [pauses] Well, how can we define theft? When a boat is stolen, though they may not hijack it, is this legal? Can people steal boats and go out and travel in that direction. The use of violence in the hijacking of boats and planes... [pauses] they exclude everything else. They exclude those who manufacture the boat; they exclude the theft of boats or aircraft. All of these are excluded. They use very vague and generic terms to say they do not approve of the use of violence.

The United States will investigate if violence is confirmed, and, if proven, they will determine violations based on international and U.S. law on the use of violence. This is what they declare, as if they have said something that is worthwhile or has some value. This is acting irresponsibly; it is simply acting irresponsibly. It has nothing to do with the problem and will simply not resolve the phenomenon of mass emigrations.

[Hector Rodriguez] Luisito.

[Baez] May I quote your words: the mass emigration that will inevitably occur. Commander, will the United States be militarily capable of preventing this situation? And what would be the political cost for the current administration?

[Castro] Well, look. In fact, mass emigration is already taking place, based on what has been happening these past few days. One boat arrives today and another one tomorrow, or maybe a plane, or they may use a raft or some other means. They have created this problem, which in fact is already happening, because they have created the conditions for it to occur.

Well, first of all they may have political contradictions. I do not know about their military capacity. I do not know if the aircraft carriers can prevent mass emigration. I do

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not know if atomic bombs can prevent emigration. I do not know if all of the coast guards in the world can prevent this, because something we know for a fact is that this is a very difficult task at sea. Now, if they are able to prevent emigration, we will be happy. But they will be the ones to do it. We hope they do not leave this thankless task for us to do. We hope they are the ones who spend all of the fuel in the world and do not leave this for us to do. Let them use all the ships in the world; let them invent everything they want.

Very well, fine, but we hope they will not expect us to carry out this unrewarding task. It is not clear what they plan to do with anyone who steals a boat, or anyone who makes a boat, or who uses rudimentary means or the Gulf current, that sort of thing. They are so hypocritical, so Pharisaic, that they will probably say that they accept any individual who steals a boat or who makes a boat can go to the United States for humanitarian reasons.

In addition, since they are now engaged in internal politics, they do not want to contradict those who are already there and would like to meet with their relatives and would like them to receive visas to visit them. They are not given visas, which have been considerably reduced, but they would very much like to be given permission to meet their relatives. The United States was committed through an immigration agreement to accept 20,000 Cubans per year, but they did not honor that commitment. One cannot trust at all or believe in the seriousness of those authorities. They would like to be given permission, and they would prefer to come for their relatives, to prevent them from facing the risk of trying to leave by boat.

Now they are saying that emigration can cause losses when they have been desperately promoting this as a strategy against the revolution during all these years. It is not serious for them to be saying this. Anyway, they will have to hold their conference. Will they dare to? As you can see, this is all very vague, very ambiguous. This is being done almost taking into consideration electoral interests and seeking votes in Florida. They are trying to avoid conflicts.

They have threatened us. As I said the other day, I do not have to repeat it: the most ridiculous thing in the world is threatening us. It is the most stupid and dumb thing to do. This country and its people are not just anything or people who can be intimidated. They have created a wicked spirit over there, and terrible hatred in some people, with the constant propaganda they put out. I can tell you that I was really surprised when I learned of the things they did in Miami with the people who attended the meeting here, with the representatives of Cubans residing abroad, of which there are quite a few.

What they did to them was terrible. Not even Hitler's Germany used the procedures that were used by these people to terrorize many of the people who came here. It is a very special kind of terror; it is terror through the media, it is terror through television, through radio, the constant attacks. It is an attack on families. It is sabotaging their interests. It is buying the people who work with them to try to ruin them and force them to leave Miami. It is making threats on their children. I know of cases where the children have been threatened with murder. They have sown terror even in some... [pauses] I repeat they are fascists. Some people have told me that even we do not know the nature of the people who are there in all those rightist, fascist groups, and who are the ones with the greatest resources. One hears talk that they have hundreds or thousands of millions. They are the ones who blackmail and lobby in the U.S. House and Senate.

The things I have been told are unbelievable. You even know about them. Those fascist mafias have a plan, namely, that when they topple the revolution they will declare three days free to kill. Three free days to kill. That is their plan. Not in three days or 3 million days! I cannot imagine how it can be possible to kill millions of armed people. One has to be really crazy to imagine that someone will surrender this country someday to those people and that they will be able to carry out those plans or intentions against... [pauses] It cannot be done.

We are a people armed with millions of weapons because we are millions of citizens with millions of weapons. They will need at least 3 million days to kill each and every one of us. That gives you an idea of the mentality of those people. I wish one could describe or tell what they have done to some people there. I have seen traumatized people. I have received news of people who have been traumatized. How much suffering have courageous people of principles experienced! You know what it is to threaten someone with killing his children.

Those threats are made by telephone, in letters, in telegrams, everything. It is a kind of psychological warfare that is planned, programmed, well prepared, and conducted by people who are experts in sowing terror.

[Arleen Rodriguez] Along those lines, Commander, the daily MIAMI HERALD has no doubt been a very important mouthpiece of this entire rightist trend. The dispatches we received today commented on the same article, which admits that historically no boat hijacker has been prosecuted. It threatens a mass protest in Miami if the murderer of our officer is tried. My question is related to that. They also say they can poison the climate in Miami in the face of the Miami summit. They are threatening the Clinton administration with this.

I also wanted to ask you, first, your opinion on this matter. Then I would like to ask you about that part of the Cuban community that participated in April's conference and which, according to reports we have received, has spoken clearly on this matter. Does this in any way change relations and Cuba's plans for its emigrants because of these developments?

[Castro] Actually, there are many brave people in Miami. There is not just vermin, fascists—there are

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many couragous Cubans. Because they know the monster after living in its lair. They have remained firm, but under very difficult conditions—amid a war of terror, harassment, and hostility. I believe they deserve a lot of credit.

This will imply not changes but a continuation of the policy we discussed before, one that is currently being implemented. To them, coming to Cuba, having talked to me, and other actions are abominable sins to these fascist vermin. They have devoted their time to wage a war against all those people because they want to prevent such ties at all costs. For the time being, there will not be any changes, there will be a continuation of a policy that we cannot accept and have to mount fierce resistance against because it truly angers us.

The fact that there are people against the blockade, people who favor the normalization of Cuban-U.S. relations, is driving them crazy because that counters their blood feast, their dream of one day killing who knows how many people. Anything that does not benefit their own interests drives them wild.

I am truly surprised by how much I know those people, by reading and seeking information on various issues, one is angered to learn what those people are capable of, and that on top of it all they have the impudence or the brazenness to talk about human rights, respect for human dignity and the individual. That is a hell of terror. Satan could hire many people in there for the worst halls in hell because they have the right mentality; you can tell this by the things they do.

[Hector Rodriguez] Susana.

[Lee] Regarding the contradictions that have been recently discussed, one of the recommendations or suggestions made to the Clinton administration was that a massive Cuban exodus would further exacerbate conditions in the region due to the Haitian situation. This is related to our Foreign Ministry statement on the use of the U.S. Naval Base at Guantanamo.

[Castro] I am glad you reminded me of that. These events, which prompted a crisis in recent days and which had to lead to a crisis sooner or later, undoubtedly contribute to exacerbating the situation and creating tension in the area, as well as more difficult situations. So far, they are the ones who have experienced these tensions with countries that have very limited ability to fight and defend themselves. But this isn't true in Cuba's case. What they did at the U.S. military base in Guantanamo constituted their most rude, arbitrary, and unfair action. They had done it on other occasions and had drawn many protests, but what they did recently—to negotiate everywhere pieces of territory on which to store Haitian citizens—really takes the cake.

They have met strong resistance in many countries that are usually submissive and obedient to their requests. I believe that Panama has agreed to accept the Haitians on the U.S. military bases, with the blessings of the government.

But the territory the naval station is on is ours; it is Cuban, and it is being occupied by force. They boldly use it without consulting the Cuban Government or requesting the Cuban Government's permission, based on an agreement that is almost 100 years old, that was imposed on the country at the turn of the century, and that is outdated. In what country in the world is there located a military base without the consent of the people of that country? Where are there U.S. bases without the authorization of the host government? Only in Cuba, by force, based on arbitrary, unfair, and outdated agreements.

It has been a long time since we last cashed the famous checks [laughs] for the ridiculous amount of $1,000 or $2,000 per year. That is less than an apartment costs. That is much less than what you pay for a one-room apartment in New York. That is what they pay us for all the square kilometers they have here. [laughs] The payment is confirmation that it is in fact our territory.

They have set up camps for 17,000, as many as 20,000 Haitians, without a word to Cuba. There can be nothing more arbitrary or unfair than this capital lack of consideration. Now we are exposed to diseases and everything, because they have these Haitians living in miserable, inhuman conditions. These individuals have diseases that are spread by mosquitoes. They are not spread any other way. Our population in Guantanamo is exposed to these diseases. It was through Guantanamo that murrain came to this country, through a few citrus trees they had there. We had never had murrain in Cuba. Now we have it and it came through Guantanamo Base because there are insects which spread certain plant, animal, and human diseases.

This creates unrest and insecurity. No one knows what can happen there. They are accumulating a mass of 20,000 Haitians, a depot, a concentration camp of 20,000 Haitians. This is something savage, brutal, and uncivilized. They have not requested the Cuban Government's opinion, it has not been consulted, not a single word, they have not requested its authorization. It is an abuse, an arbitrary action. Logically, this caused a protest. It is they who are provoking all kinds of tensions. On top of that, they are promoting illegal departures, accepting criminals, inventing lies, and creating myths. This is the limit. I imagine one day they will murder an officer and claim the murderer was the officer. They can say the person who killed that officer was the officer resuscitated there and the perpetrator of the boat hijacking. They are displaying a growing and greater cynicism. This contributes to create tension and worsen the situation.

[Hector Rodriguez] Rosalia.

[Arnaez] Commander the largest waves of emigration, both those that have taken place from our country and

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the ones that have taken place from other parts of the world, naturally coincide with periods of great economic difficulty in any given country. In the case of Cuba, you have carefully explained all of this special attention given to our illegal emigrants.

Do you believe that the measures that need to be implemented by the U.S. Administration should begin with the fight against acts of piracy, or do you think they should adopt measures—as you have explained before—that are broader in scope? Should they stop all types of immigration?

[Castro] Two types of measures need to be taken. The first ones, which are more formal, have not been created or this would not have happened. Had they applied to those people who emigrated illegally the measures they apply to all citizens of the world—Venezuelans, Colombians, Dominicans, and even Chinese citizens—had they applied the same measures and applied them to all people, this would never have taken place. These emigrations would not have taken place. They do not do this with other countries because, of course, the citizens enter the country clandestinely.

They enter clandestinely, and if discovered they are expelled. They have harsh laws against these people. They do not wait for them at the border with flowers or wait for them at sea with Coast Guard vessels. If they had applied the same principle they apply to all other citizens of the world, this trend, this exodus would not have taken place. We have to bear in mind, of course—and I was talking to the Colombians about this topic the other day—that there are two types of immigration. There is a normal immigration from poor countries to rich countries—from underdeveloped countries to developed countries. This is worldwide. There is huge fear about this.

This is why there is increasing concern over the phenomenon of the demographic explosion, not only because of the threat this demographic explosion poses to developed countries, but also because of the fear they have about the consequences of this demographic explosion in all underdeveloped countries. While their population is stable, the population of the Third World is a great challenge. There is a strong immigration trend from underdeveloped countries to developed countries. There also is a domestic immigration trend from the countryside to the cities. This is a current immigration phenomenon.

Countries with no blockades—many important Latin American countries and many with great wealth—experience huge migratory movements, all of which are clandestine without the support of the authorities and without any guarantees being given. This is not being encouraged. In fact, they do everything possible to discourage this. The case of Cuba is special. First, it is an underdeveloped country that sits before the most developed country of the world. Second, those are normal circumstances, the trend to migrate. In our case we have two additional things—an implacable blockade, bolstered by the Torricelli Law. It prompts people to emigrate. On top of this, we have to add the special period we are experiencing as a result of the collapse of the USSR and the socialist bloc. It is a circumstance that makes the blockade more harmful for us because we previously defended ourselves with the trade we had with the socialist bloc. We lost the resources, the raw materials, and the food we used to receive from the socialist countries and the USSR. All that was lost. They saw the opportunity here to tighten the blockade to achieve their political ends by forcing us to our knees, by subduing us through hunger and sickness.

That is their cruel, criminal, and indescribable policy, which has been totally and completely rejected at the UN. There are three major circumstances at play here. It is a natural phenomenon for there to be a tendency to migrate toward more developed countries, especially to the most developed country in the world. Take the Mexicans, for example. There are millions of Mexicans in the United States already—about 14 or 15 million—as well as those who arrive every year and those who cross the wall illegally. They use such sophisticated inventions to prevent these people from crossing the border. There are also many coming from other countries, and the United States is not encouraging them to come, either, but instead trying to discourage them. In our case, that natural tendency is encouraged by them, prompted by the blockade—a strengthened blockade; and worsened by the special period, the crisis which resulted from the Socialist bloc's and the USSR's disappearance.

These are the three factors contributing to this. Then they start to encourage us, but they will not give legal permission. They display it all as propaganda material, and, my, how much propaganda have they pushed out! They welcome anyone arriving in a boat or a raft, and they do not give them a normal visa. They welcome all kinds of criminals, because the majority of those who want to leave that way are precisely the ones who have the least possibility of getting one of the 2,000, 3,000, or some silly amount of U.S. visas that are given out. If the immigration treaty had been fulfilled, more than 100,000 people would have left already, but these people would not be among them.

Now, if they do not receive them normally and legally through their Interests Section in Havana, why then do they receive them when they steal and kill, or arrive on a raft, a boat, or whatever? Why? Where is the justification? Where is the humanitarian nature of their policy? They say they do not want to see anyone drown, and how many people have died because of their encouragement? Why do they not give them permission here, through their interests office? They do not give them permission here, and then they welcome them with flowers and honors there. Now they are horrified at the possibility of an exodus, when they themselves have promoted it over the years. This has happened before.

[Hector Rodriguez] Luis Baez.

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[Baez] Given the experience we have had in confronting nine U.S. Administrations, including the current administration, all of which we have defeated, how do you think the present administration will react to your statements today?

[Castro] I do not care. I do not care. I do not have any hope. I have noticed they are too susceptible to the pressure of the fascist mafias, and too worried about electoral matters and the next elections in the State of Florida, when, in the end, this administration was elected without Florida.

Nevertheless, this administration has been losing strength, because everyone fights the United States and tries to weaken it, and they have in fact managed to weaken it. Nothing of what the United States has done to us—its cruel, unbending policy or the crimes they have committed against us—will ever make them any more popular. Nevertheless, they have not negatively affected U.S. policy either. That is why I am truly skeptical about the current administration's willingness and capability; and it is the one which we have treated with more decency. We have treated it with kid gloves, with great decency, so do not blame us, do not say we are the ones who do not want to improve relations with the United States. We saw some positive things in this administration, I must admit. Women voted for him. Most of the poor voted for him, as well as the elderly, the sick, and the unemployed, whom I would call common people.

It was not a victory of the right wing. Clinton's victory was a popular victory. We expected him to rise to the circumstances within that reality. But his policy has not been a policy truly in line with the people who voted for him. I am explaining that this was one of the reasons why we....[pauses] we did not harbor hopes. We saw that prior to the elections he committed himself to the Torricelli bill. And he did that to get the votes of the fascist and criminal Nazis of Miami.

He committed himself to the law. It was Bush's law and he went along. It is just like the invasion of Somalia. It was one of Bush's latter-day inventions and he inherited it and assumed it with pleasure. I believe he was courageous enough to rectify that later on. It was an act of courage because he rectified it. I think that there are new personalities in the United States, new people, new generations of politicians. We did not see the Clinton administration's victory as a negative thing but it has disappointed many North Americans. Who knows why? I have not studied this to learn what factors have influenced this. He has disappointed progressive people throughout the world and I know many progressive people in the world who feel sympathy for the Clinton administration—and they even want to help and they want to do something and they want to work to see if relations between Cuba and the United States can improve. They harbor those illusions but, when I talk with them, I tell them: Really, I do not harbor illusions like you do because, although once in a while you get administrations like this one, others claim that it is necessary to wait until after the elections, in case there is a second term—yet another one may come in four years later. This is how it is. It is very chaotic and full of contradictions. It is a system and a society full of contradictions. Anyone can see that this is why I harbor no hopes. We have experience. Our people are experienced in confrontations. They are a courageous people. They are not afraid, but if they try the strategy of threats and fear they will crash into the Cuban people. There is no doubt about that.

[Hector Rodriguez] Arleen.

[Arleen Rodriguez] In the face of the seriousness of the most recent incidents and a lack of serious response from the U.S. Government, I have heard regular people ask if we did not have every right to resort to international organizations to report all this.

[Castro] Of course, yes. We have the right, and we must do it. It is correct. I am giving you brief replies because there are some people who are going to fall asleep.

[Hector Rodriguez] I am sure that no one has fallen asleep.

[Castro] Let us hope so.

[Hector Rodriguez] Any questions? Susana.

[Lee] With regard to what Luisito said, what you expected from the U.S. Government, you also said that if they complied with immigration agreements, they would not be encouraging illegal departures. I think that if they applied their own laws, they mentioned undue possession and illegal transportation of stolen goods....[pauses] Do you think there is any hope that in this case, the case that brought us to the interview, they will do something?

[Castro] This statement does not indicate they have the slightest intention of acting on this. They are talking about extreme cases of violence and murder, but without any intention to get to the bottom of the matter.

[Lee] It has been said that a precedent would be set.

[Castro] I beg your pardon?

[Lee] THE MIAMI HERALD reported on it. It said that a contradictory situation has been created. On one hand, they need to pretend they are applying the law and, on the other hand, they would be setting a precedent with that community if you give a speech in Miami.

[Castro] Once they a hijacked plane at gunpoint. More than an airplane was involved; they put up a show, a maneuver; they cheated people with that. They questioned people, they talked with them, they held them for some time and after a while they were acquitted. No law was applied against them. They don't dare apply any law in a series of cases. Airplanes have been hijacked by resorting to violence. As I recalled recently, Cuba

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resolved the problem of aircraft hijackings. Cuba did it with the measures it adopted.

They are such idiots, they are so arrogant, and they despise others in such a way that they do not feel obligated to take any measure to prevent this from happening to airplanes—airplanes, not boats. They were the ones who invented the airplane hijackings, because the first hijacked airplanes were Cuban airplanes. At the end, this became a world plague. This was another irresponsible action, but they have committed many irresponsible actions throughhout their history.

[Arnaez] And although there are no relations between the two governments, there may be agreements of this kind. In other words, they have nothing to do with...

[Castro, interrupting] We are not demanding that they establish diplomatic relations or have love affairs...

[Arnaez] This is like an act of ignorance on their part.

[Castro] We are just asking that they respect us. We are asking that the blockade be lifted. We are asking that the subversion and subversion policy end. We are asking them to end their constant actions to promote sabotage and crime. We are asking them to treat Cuban citizens as they treat others. If they want to treat Cubans differently, I hope it is for the better, not for the worse.

I hope they don't want to destroy the country or shed the country's blood. I hope they end their strategy of attempting to destroy the revolution because we may be living in a unipolar world, but a world very difficult to govern. We know we are in a world... [pauses] History has demonstrated that he who resists wins. He who resists is invincible.

[Hector Rodriguez] Luis Baez.

[Baez] Commander, last Friday, at the end of your speech, you spoke about the posthumous homage that was to be paid to Noncommissioned Officer Lamoth...

[Castro, interrupting] I was about to protest that you had failed to mention this. I was going to say I would not frequently offer to come to this television channel although you render a great service to the country by divulging all this news. Nevertheless, I am going to take advantage of this opportunity, since you spoke of posthumous homage—this junior officer will also receive a posthumous homage because he was a man with great merits—a humble, modest, revolutionary who fell in the line of duty. This was not his task. He had different tasks; his task was not to be on that boat. He was a Navy lieutenant, which is equal to the rank of captain. He was local chief of construction and lodging of Military Unit 4349. He had a mid to high level of education; was a member of the PCC [Communist Party of Cuba]; status: married. At the age of 20 he was called to the general military service and commissioned to study at the CEPEN [Training Center for Naval Specialists) by the Revolutionary Navy to become a navigator-electrician. He served in the missile frigate flotilla. He had good political and military training. He was chief of the [word indistinct] directorate, chief of armory unit. He was a chief engineer of the staff; and his current position was chief of construction and lodging.

He was there doing volunteer work. He was killed there. There is a certain logic to his decision because the other one was in active service, coming from vacation, and asking him to take him along. He had undoubtedly talked it over with the rest of them and had planned to kill him there. The others did not have weapons; the others were ferrying passengers. He had a weapon and was sitting there. The other one came and shot him twice. This is a man with a lot of merit.

[Hector Rodriguez] He leaves three sons.

[Castro] I have three paragraphs which more or less sum it all. This is his photograph. Roberto Aguilar Reyes.

[Hector Rodriguez] Allow me, commander, to show it better.

[Castro] You know about it more than I.

[Hector Rodriguez] Thirty-seven years.

[Castro] Navy Lieutenant Roberto Aguilar Reyes was born in Camaguey Province. He was 38 years old. He was married to Comrade Daisy de la Rosa Stuart. He leaves three sons: Luzmila, Daney, and Deusney. They are ages three, 10, and nine, respectively. As a result of his work, he reached a vanguard position within the FAR [Revolutionary Armed Forces] on two occasions. He held different leadership positions in the rank and file organizations of the party, where he was an honorable member. His glorious name will join the list of heroes of the fatherland, who fell in the line of patriotic and revolutionary duty. Because of the clean and exemplary record in the FAR and the courageous attitude of Roberto Aguilar Reyes in the face of a vile hijacking, the Councils of State of the Republic of Cuba agreed to decorate him posthumously with the Antonio Maceo Medal of valor.

Two events will be held: a farewell funeral ceremony in Mariel on Sunday, 14 August, at 0900. We are going to try to broadcast it through television. We will try to get the resources so it can be broadcast. The farewell ceremony will be held in Mariel on Sunday, 14 August, at 0900. Two, a farewell funeral ceremony in Camaguey, his home province. It will be held at the Major General Ignacio Agramonte Plaza on Sunday, 14 August, at 1700. In other words, two ceremonies will be held due to this comrade's death. I am glad you reminded me because we could have forgotten this information, which is so important.

[Hector Rodriguez] There is one more question.

[Arnaez] I only wanted to make a final statement because I know this is what many Cubans feel. There may be many who do not like you and are trying to leave this

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country, this land of their birth. There are many more who do like you and know the real meaning of today. They know that in a few hours it will be your birthday. I believe we cannot let this moment pass. On behalf of those who like you, we wish you health and eternal life, and to always be leading us.

[Castro] Thank you. Your words move me.

[Hector Rodriguez] I concur with Rosalia. We are saying this from the heart. We have finished the discussion of the topic and if you want to add anything else...

[Castro, interrupting] Thank you for the opportunity, and I ask you to excuse me for the length.

[Hector Rodriguez] Thank you, Commander. It is a pleasure to have you here with us. The doors of the "This Very Day" program are always open.

[Baez] Television viewers: I simply want to tell you that the comrades on the "NTV Newscast" will have a special edition as soon as we finish, all related to the events and the murder in Mariel. We recommend it. Good night, television viewers.

TV Carries Report on 8 Aug Boat Hijacking

FL1208063394 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0442 GMT 12 Aug 94

[From the second "NTV" newscast for 12 August]

[Excerpts] [Announcer; video shows wide shot of water and land] This is Mariel port, where the incidents of 8 August took place:

[Begin recording] [Video shows three unidentified speakers, young men dressed in military fatigues] [Unidentified speaker] It was a regular day, with three civilians on board, an officer at the helm, and us three.

[Reporter] From where did you leave?

[Unidentified speaker] From the unit's port toward the Boca. We arrived at the Boca, where the three civilians disembarked.

[Reporter] Why did you go to the Boca?

[Unidentified speaker] We went to leave the [words indistinct] as usual. We arrived around five. The three civilians disembarked. We were about to leave, when we saw Comrade Lionel Macia approaching us. He was a regular comrade from our unit. He explained that he was boarding to present a certificate, for he was supposed to be on vacation. He was not supposed to return from vacation until Wednesday and it was Monday. He then boarded the vessel, explaining that he wanted to present a certificate.

[Reporter] You knew him?

[Unidentified speaker] Yes, he was a member of our unit. Anyway, we were on our way back to the unit. When we said that we were going to return to the unit, we were close to a buoy, we had already lost visibility of the port of Boca...

[Reporter] The coast guard dock?

[Unidentified speaker] That is when he took advantage of the opportunity. He said: I have something here for you. It seemed like he was saying this so that he would have an excuse for putting his hand in the bag. He was carrying a bag. He put his hand in the bag. One comrade said: Let's go over there so the three of us can share. Then, he said: Wait, I will take it out. We had returned to the bow of the ship when he took out a revolver and aimed it at the officer at the stern. He shot twice and then turned on us, grouped at the bow, and pointed the revolver at me.

[Reporter] You were unarmed?

[Unidentified speaker] Yes, we did not have any firearms at all. He then pointed the revolver at me and told me to take the boat to the sand bank. I then tried to catch the coast guard comrades' attention.

[Reporter] And they were [words indistinct]?

[Unidentified speaker] Then, he pointed the revolver at me and told me to take the boat straight to the dock. He said that he would shoot if he had to. Comrade Lionel took out his revolver and shot twice. Our comrade fell. He tried to take the gun away but did not have time.

[Reporter] The lieutenant who was shot?

[Unidentified speaker] Yes, Lieutenant Aguilar. He was too fast. He turned on us and told [words indistinct] to direct the boat to the port.

[Reporter] The lieutenant then fell to the water. Did you see him fall to the water?

[Unidentified speaker] Yes. [end recording]

[Announcer] According to these young soldiers' testimony, it was impossible to prevent the crime and the hijacking:

[Begin recording] [Video shows unidentified speaker and wide shots of water and buoy] [Unidentified speaker] We didn't have much of a chance. He kept his distance from us at all times. After he shot him twice, he remained at a distance from us. Since we three were at the bow and he was driving the boat, we didn't have much of a chance. We were too far away from him.

[Reporter] After leaving this small point, where the pine trees are, he had already thrown the injured soldier overboard. Then, the hijacker forced them to take the boat to this point, a sand bank.

Here, he picked up a group of civilians and threw the other soldiers overboard.

Hijacker Lionel Macia Gonzalez, Aguilar's murderer, boarded the ship here, at this point along the coast where

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the unit's service personnel disembarked. The soldiers said that Aguilar fell into the water around here, in this area, after being mortally wounded. This is the sandbar where the group of people who boarded the boat waited for the murderer.

[Unidentified speaker] [video shows dock on sandbar] After I was able to land, he pointed the gun at us and told us to lie on the floor. He then walked toward the group of people. It was a group of about 30 people, including many women and children. The men were carrying full backpacks. He then instructed the people to board the boat fast. [end recording]

[Announcer] This is where the three soldiers were thrown overboard after they refused to accompany them to the United States:

[Begin recording] [Unidentified speaker] He then went to [words indistinct]. He took the boat full speed. We were able to reach the shore. After we reached shore, he was already leaving the area. That is when we left and ran toward an installation in Varadero, a service center where boats are repaired. We arrived and asked for their help. We asked for a boat to rescue the officer who had fallen into the sea. [end recording]

[Announcer; video shows wide shots of bay from the inside of a wheelhouse of a boat, several boats in the bay during daylight, a swollen body dressed in a striped shirt and lightly colored pants floating in the water, and a small boat coming alongside the floating body] A search for Roberto Aguilar's body began immediately after the incident was reported. A total of 32 divers, locals, and fishermen searched the Bay of Mariel day and night. His body was found early in the morning, before our cameras. His body was disfigured by the two bullet wounds and from having been underwater for hours.

Practically at the same time, foreign television stations were reporting how an individual who not only committed the crime of hijacking a vessel to take it to that country but also achieved his goal after murdering a person could be allowed into that county. Here are the images. [passage omitted]

[Announcer continues; video shows black-and-white photo of Aguilar, Aguilar family, and letter] Naval Lieutenant Roberto Aguilar Reyes was 38 years old. He had three children, who are 9, 11, and 13. This letter was found among his personal belongings. In his own handwriting, a copy of the letter written by Jose Marti to his mother: On the eve of a long journey, I think of you.

[Begin recording] [Aguilar's mother, identified by caption] [video shows mother and children] As a mother, I feel the pain of his loss, but I am very proud because he did not die defending an unjust cause. He died defending a just cause. We cannot allow these people to humiliate all of us. We would rather be dead before letting them humiliate us.

[Aguilar's wife] I just want to say that I am proud of him as a father and as a revolutionary. I say that anybody who thinks of himself as a revolutionary would have done what he did. He will defend this no matter the cost. I hope his children follow his example. [end recording]

[Announcer; video shows shots of small town and of child yelling "Viva the Revolution!"] Vista al Mar is a small community close to the Quebra Hacha neighborhood in Mariel. That is where Roberto Aguilar lived with his family. Aguilar's comrades cried when they saw his body floating in the bay:

[Begin recording] [Unidentified speaker] [video shows military officer talking at a dock] I was working here, and I saw him walking, and I asked him: What is the matter, Aguilar? He said: I am a bit tired. I told him: Go to the front of the boat so you can rest a little. That is when he went to the front of the boat.

[Reporter] What was Aguilar like?

[Unidentified speaker] A great person, a Cuban, a revolutionary, a true man, a friend, and a brother.

[Unidentified speaker] He was humble, the father of three children who he loved very much.

[Unidentified speaker] I would like to see him one more time. I would just like to see him one more time.

[Reporter] Even though he is dead?

[Unidentified speaker] Yes, just to say goodbye to him one last time. He was like a brother to me. [end recording]

[Announcer; video shows NBC footage of Lionel Macia arriving in Key West and still, close-up of Macia's face] They and all Cubans ask themselves: In light of this evidence and with the testimonies of his comrades, will the murderer go unpunished? Will the United States become the destination not only for hijackers of ships and innocent people but also for those who go about acheiving their goal by committing the grave crime of killing those who seek refuge?

Havana Bay Boat Service Resumes Amid Tight Security

PA1208013894 Madrid EFE in Spanish 2157 GMT 11 Aug 94

[Excerpt] Havana, 11 Aug (EFE)—The trips of passenger boats to Casablanca, across Havana Bay, were reestablished today, one week after their suspension, amid tight security measures supported by several policemen and the so-called "Rapid Action Brigades."

After the successive armed hijackings of three boats traveling between the localities of Regla and Casablanca and the serious disturbances that occurred Friday in the capital, passenger boat service was suspended.

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The Muelle de Luz Pier, which was guarded by several policemen, reopened today with a notice at the door warning passengers they are prohibited from carrying weapons, explosives, or flammable liquids.

The security measures at the piers on both sides of the bay include the use of metal detectors, searches of passengers, and the presence of a large number of policemen in the areas surrounding the piers, where there were also groups of civilians who are members of progovernment "Rapid Action Brigades."

A statement by the National Information Agency said the measures adopted by authorities are designed to guarantee the tranquility and security of passengers aboard these boats. Service resumed with two boats. Boats traveling to Regla are expected to resume service within the next few days. [passage omitted]

Havana Reports Crop Duster 'Hijacked' From Villa Clara

FL1108173794 Havana Radio Rebelde Network in Spanish 1700 GMT 11 Aug 94

[Text] On 19 August, during an agricultural flight in the Quemado de Guines area, in Villa Clara Province, an AN-2 of the National Air Services Enterprise was hijacked by turncoat pilot Jorge Lopez Gonzalez and flown to Marathon, Florida. The necessary contacts with the U.S. Government have been made to arrange the return of the airplane.

[Signed] Cuban Civil Aeronautics Institute.

Authorities Arranging Return

PA1108183994 Havana PRENSA LATINA in Spanish 1735 GMT 11 Aug 94

[Text] Havana, 11 Aug (PL)—Cuban authorities are making the pertinent arrangements with the United States for the return of an AN-2 aircraft, which was hijacked yesterday, the national radio newscast announced today.

A note from the National Civil Aeronautics Institute notes that the aircraft was hijacked by its pilot Jorge Lopez Gonzalez and taken to Marathon Key in Florida.

It added that the aircraft was engaged in crop dusting activities in the zone of Quemado de Guines, central province of Villa Clara, and belongs to the National Air Services Enterprise.

Interviewed Hijackers Deny Guilt

FL1108175094 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 11 Aug 94

[Report by Maribel Acosta with interview of Miguel Angel Jordan and Barbara Mayda Jordan by unidentified reporters; from the "NTV" newscast—recorded]

[Text] [Acosta] Interior Ministry [Minint] sources have announced that the investigation of the 4 August hijacking of the Baragua Ferry continues in order to elucidate every detail. This hijacking resulted in the murder of Policeman Gabriel Lamoth Caballero.

According to the information gathered so far, the hijacking was organized by a group of 15 people, primarily from Marianao Municipality. On 4 August, at approximately 1900, as the Baragua ferry was launched en route to Regla, the group caused a commotion, and one of them fired into the air to force the passengers to the floor. Afterwards, some of the hijackers broke down the door to the bridge with a small machete. Others, feigning fear, entered the bridge through the side door, hit the captain, forced a change in heading, hit the policeman guarding the bridge, took his weapon, and threw him overboard.

The hijackers carried with them a .28-caliber revolver, small machetes, and other items. Since the hijackers were aware that the ferry's fuel was limited, they brought on board bottles with fuel hidden in backpacks carried by the women in the group.

The ferry was escorted by Border Guard vessels to prevent any catastrophe. After being stranded 19 km offshore for almost 24 hours, the hijackers pressured the Cuban authorities to get more fuel and to continue the trip to the United States. In the predawn hours of 6 August, the hijackers, having exhausted their options, disappointed because the U.S. Coast Guard had not picked them up, announced to Cuban authorities their decision to give up. There were approximately 195 people aboard the Baragua ferry.

Minint sources also announced that the presence of a second policeman is still unconfirmed. To date, a body has not been recovered, nor have Havana National Revolutionary Police sources reported the disappearance of any of its members.

Eleven people were arrested in connection with the hijacking of the Baragua ferry. A group of Cuban reporters interviewed some of them on their participation and motives. It is curious that these people, so courageous and forceful during the hijacking, now act as if they were unaware of the risk, even surprised, trembling before the television cameras.

[Unidentified reporter; caption reads: Havana Port, 6 August] How could you hijack a vessel with innocent women and children on board, putting them at risk? How could you do such a thing?

[M. Jordan] I never did any such thing. I am not part of that hijacking mess. I was on my way to Regla to visit an uncle of my wife who lives in [words indistinct]. He had invited me for lunch, rather a dinner party because it was already late. At no point in time was I part of the hijacking party.

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[Unidentified reporter] What do you think about something like this, hijacking from port a vessel unfit for the open seas, with children and passengers on board?

[M. Jordan] I was reading Wednesday's newspaper and that is a heck of a lot of irresponsibility. It is a crime, with so many children on board.

[Acosta] Miguel Angel Jordan, 55 years old, La Lisa resident, father of Barbara Mayda Jordan, one of the plotters of the hijacking. He acted as the vessel's mechanic and describes himself as a guest of his daughter. He boarded the ferry with his wife, two daughters, and four grandchildren.

[M. Jordan; caption reads: Havana, 10 August] [Words indistinct]. I did not know any of them, except my daughter. We all simply got on board. I was simply a guest. I didn't have to do anything nor did I. I didn't do anything. My only involvement was limited to giving water to the children and two old ladies. That was my only involvement.

[Unidentified reporter] However, when you boarded the ferry, you were aware that it was going to be hijacked and that it was an illegal act?

[M. Jordan] Yes, I knew that much.

[Unidentified reporter] Were you aware that weapons were going to be used?

[M. Jordan] Yes. No one takes over a ship with words alone: I am taking the boat and that is it!

[Unidentified reporter] Were you aware of your daughter's involvement?

[M. Jordan] No. Let me tell you how it was. My daughter told me that some people were going to hijack the ferry. She did not specify it was her and her friends. She didn't tell me. She simply told me that the ferry was going to be hijacked, so let's go. Fine, let's do it. That was on Thursday. On Wednesday a ferry had been hijacked and it arrived fine. It had been escorted by the Griffin [slang stemming from the "Guardia Frontera" initials "GF" identifying Border Guard patrol vessels]. Nothing had happened. So, I said let's take the next one.

[Unidentified reporter] At what point did you find out that your daughter, along with her friends, had organized the hijacking?

[M. Jordan] When we left.

[Unidentified reporter] What clued you in?

[M. Jordan] When they showed their hand, it became obvious that they were the ones hijacking the ferry.

[Unidentified reporter] And the ones running the show?

[M. Jordan] They were the ones in charge, the ones who told people to lay on the floor, and all that. That was when I truly realized that they were the ones.

[B. Jordan; caption reads: Havana Port, 6 August] At no point did we say anything.

[Unidentified reporter] Then, how did you hijack the ferry?

[B. Jordan] They told everyone: People, this is it! Everyone on the floor! And I also [words indistinct].

[Unidentified reporter] [Words indistinct] take such risk with so many people on board?

[B. Jordan] Well, there was no going back. Once, they have you in the middle of the water, there is nothing you can do and everyone wanted to leave. I am one of the first ones who wants to leave. I do not have to lie. No one can make me stay here.

[Acosta] Barbara Mayda Jordan—known as Blondie to the other hijackers, daughter of Miguel Jordan, unemployed; according to her father she was one of the plotters of the hijacking. She was the most brash of the hijacker. Upon her return to the Port of Havana, she reaffirmed her defiant stand before the television cameras.

[Unidentified reporter; caption reads: Havana, 10 August] What part did you play in the hijacking?

[B. Jordan] Well, I helped [words indistinct], gave water to the children, and medicines, and tried to keep things calm because many people were upset, being loud, and so forth.

[Unidentified reporter] Were you aware that it was going to happen?

[B. Jordan] Well, I knew that the ferry was going to be hijacked. I found out that very day.

Article Charges U.S. Attitude Increasing Tension

PA1208022594 Havana PRENSA LATINA in Spanish 1703 GMT 11 Aug 94

[Article by Javier Rodriguez: "North American Attitude Increases Tension in Relations With Cuba"]

[Text] Havana, 11 Aug (PL)—Cuba is convinced that the attitude adopted by the United States over the seized local boats and in relation to recent incidents in this capital are part of a broad destabilization plan.

Last week's incidents, a climax of decades of permanent hostility by Washington against the Caribbean island, strained bilateral relations even further and literally put Cubans on guard against their neighbor and adversary.

President Fidel Castro himself charged that the anti-Cuban plan is now trying to go from an international disinformation campaign on the situation in the country to the organization of action groups of a certain size that would daily introduce violence onto the local scene.

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According to the Cuban Government, the goal is definitely to divide the people, open the way to a bloodbath, and pave the way to direct intervention by the U.S. Armed Forces.

The accusation takes into account the progressive evolution of the radio campaign—based on U.S. territory, comprising more than 1,000 hours per week—that encourages illegal departures from Cuba and daily exalts the use of violence as an efficient formula for opposing the Caribbean nation's political process.

The failure to honor immigration agreements signed by the two nations by refusing visas to Cubans interested in traveling to the United States and the reception as heroes of those who travel illegally by forcibly taking over boats or aircraft is normal practice by North America.

These cases become even more complicated when those who confront attempted seizures and hostage-taking are murdered.

Heating up the scene even more is the concentration of 16,000 Haitian refugees on Guantanamo Naval Base in eastern Cuba—a military enclave maintained by the United States against Cuba's will—another reason for friction in such a sensitive area of the national territory.

The local government has reiterated all along, and without any success, its willingness to establish the pertinent negotiations with the While House in order to normalize the flow of immigrants and relations between the two nations.

The response to these efforts, Havana points out, has always been encouragement of counterrevolutionary groups, including the most aggressive that harbor the traditionally cherished hope of wiping out the Cuban regime.

Added to this is the continuation at all costs of the already outdated economic and trade blockade, more than three decades old and rejected by a large number of Latin American and Caribbean nations, as well as by the rest of the world. This blockade does have a bearing on the current lack of food and medicine.

The Cubans' certainty about this destabilization operation's true goal easily explains—according to local analysts—the overpowering reaction by the people when faced with disturbances provoked on Friday in Havana by aggressive groups and the demand for a firm hand by the government in light of those outrages.

With things as they are, it is foreseeable that in the immediate future the road of Cuban-U.S. ties and the level of tension in the bilateral panorama will depend a great deal on the position that Washington now adopts, following Fidel Castro's public challenge that this policy toward Cuba be decidedly changed.

Envoy to Mexico Reiterates Stand on 'Illegal Emigration'

PA1208010094 Havana PRENSA LATINA in Spanish 2242 GMT 11 Aug 94

[Text] Mexico City, 11 Aug (PL)—Cuban Ambassador to Mexico Abelardo Curbelo today reiterated his government's position on illegal emigration from Cuba and the possibility that the island might stop blocking people from attempting to travel to U.S. territory.

In a news conference in this capital, the diplomat commented on the recent violent hijackings of various Cuban boats and denounced the United States for waging a propaganda strategy against Havana.

He said Washington is taking advantage of the economic situation created by the U.S. blockade in his country and the disappearance of the European Socialist Bloc and is broadcasting messages calling for violence in the island.

In this regard, he explained that the U.S. Administration is blowing Cuba's problems out of proportion and is trying to generate internal disturbances to make the Havana Government seem as the repressor.

Cuba is not going to repress the people, and if the United States maintains its current strategy, Havana authorities will be forced not to impede immigrants from leaving and not to impede the arrival of boats from Florida traveling to pick up relatives, Curbelo stated.

In this regard, he recalled that from the legal standpoint, all Cuban citizens have the right to leave and return to their country, and at this time there are over 100,000 people with the corresponding permit to leave the island, "but Washington does not give them visas."

In addition, the ambassador remarked that the United States and Cuba signed an immigration accord whereby the former must grant up to 100,000 visas annually to Cubans, a commitment the U.S. has never fulfilled.

Finally, the envoy concluded Cuban authorities are ready to negotiate and thus avoid a new crisis with the U.S. Administration, although he warned of the possible persistence of U.S. actions against the island.

Young Communists Union Supports Government

PA1208005394 Havana PRENSA LATINA in Spanish 2257 GMT 11 Aug 94

[Text] Havana, 11 Aug (PL)—The Union of Young Communists (UJC) reaffirmed here today its support for the Cuban authorities and called on its members to stage public demonstrations the day after tomorrow to express its adherence to the government.

UJC leader Juan Contino told the press that "young people regard the unity of all the forces as the only way to move the socialist system forward," a social plan that has absorbed Cubans for over three decades.

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The leader recalled that half of the 11 million Cubans are less than 30 years old and that the majority are participating in official programs that seek to overcome the economic crisis the island is experiencing in the wake of the collapse of the socialist camp and, in particular, the former Soviet Union, with which it conducted 80 percent of its international trade.

Raul Castro, second secretary of the ruling Communist Party of Cuba, this week called on the UJC and mass and youth organizations to work "with greater unity" without squandering resources for the sake of the main work strategy." [no opening quotation mark as received]

According to Contino, an example of the support young Cubans are giving to the country's leaders is that this summer midlevel, pre- university, and university students gave up half their vacations to work on state farms.

"One has to take into account the sacrifice entailed in working in the countryside in the hot Cuban climate and, in addition, almost without tools, because the economic difficulties have also created a shortage of working materials," the UJC leader said.

GRANMA Criticizes U.S. Handling of Illegal Immigrants

PA1208152494 Havana PRENSA LATINA in Spanish 1310 GMT 12 Aug 94

[Text] Havana, 12 Aug (PL)—The official daily GRANMA today published an article criticizing the passivity the U.S. justice system has exhibited for 35 years toward Cubans who illegally arrive on U.S. coasts by methods that would land them in a U.S. court if they were anyone else.

In an article entitled "The Weak Legs of a New Lie," GRANMA reports that U.S. laws state that hijackers must stand trial for misappropriation and illegal transportation of stolen goods.

The paper notes that it is good to recall that "for the past 35 years the U.S. justice system has shut its eyes to Cubans who arrive on U.S. coasts using such methods, and not only does it not put them on trial, but it grants them residence one year and one day after their arrival, something for which citizens from other parts of the world must wait years."

In 1966 Washington approved the Cuban adjustment law, which grants Cubans arriving in the United States unique privileges regardless of their motives or the methods used to reach this objective, something Havana views as encouragement of illegal departures.

A description of the way in which Leonel Macias Gonzalez, a member of the Cuban Navy and hijacker of a Mariel boat, murdered Roberto Aguilar Reyes, a young officer, to leave for the United States, takes up an important part of this article.

None of his companeros imagined the betrayal that (Leonel Macias Gonzalez) had coldly and criminally plotted, the newspaper reports.

GRANMA adds that Cuba officially informed the U.S. authorities of the hijacking and the killing so they could act in accordance with international and U.S. laws.

But, the paper notes the U.S. policy "of encouraging all sorts of violence and illegal actions to justify its campaign to discredit against the Cuban Revolution placed (Washington) closer to the assassin, Macias, than to the martyr, Roberto Aguilar."

Reno's Position on Migration 'Falls Short'

FL1208144094 Havana Radio Rebelde Network in Spanish 1155 GMT 12 Aug 94

[Telephone interview with Marcos Castellon, Radio Progreso Alternativa reporter, in Miami, by Roberto Cavada in Havana; from the "Doing Radio" program]

[Text] [Cavada] Good morning, Marcos.

[Castellon] Good morning.

[Cavada] We would like to hear what is the buzz in Miami. I understand that two Spanish-language television stations broadcasted a long segment of President Fidel Castro's news conference.

[Castellon] Yes. Two local Spanish-language television stations, channels 23 and 51, carried about 30 minutes of Fidel's news conference. An English-language channel also carried it with translations. This made it possible to hear his statements on the events in Mariel first hand.

[Cavada] I also think it was significant that Fidel ratified, further on in the news conference, Cuba's willingness to discuss this situation in depth with the United States, not limiting it to the immigration problem alone. The immigration problem implies sitting down to discuss seriously the U.S. economic blockade against Cuba and its lifting, which is essential since it is all connected.

I would like to hear your opinions or what the newspapers reporting are reporting. Fidel spoke about the Cuban community, the decent people who advocate an understanding and dialogue with Cuba. How were Fidel's message and words received in Miami?

[Castellon] I believe that very few doubt at this point in time that Fidel's words emphasized the seriousness of the situation and the need for the United States to finally take a meaningful stand on what is happening. This is evident, in many aspects, not only in the language of the official statements being issued by U.S. officials to the effect that they will not allow a massive exodus, and the announced contingency plans at federal, state, and local levels, some of which are in fact being implemented.

I can report to you the first arrest of emigres who went to Cuba to pick up relatives, although they claim that they

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found the refugees stranded on a key, or something to that effect. However, the boat crew and the refugees are all under arrest.

Attorney General Janet Reno announced yesterday that something akin to a quarantine was going to be implemented in the Florida Straits to prevent at any cost the crossing of any vessel headed to Cuba to pick up people or coming from Cuba. This shows that they really know that things are serious and that something has to be done. It is also significant that Fidel spoke about the need to lift the embargo because this is one of the main causes of the current situation. Also, Representative Jorge Serrano just presented a bill seeking the immediate lifting of the U.S. embargo against Cuba.

[Cavada] I was commenting that Janet Reno's decision is truly not an answer to the Cuban position which, as you just said, puts the blockade at the core. What good does cordoning off the entire straits with vessels to prevent immigration do? I believe this falls short of an answer to the Cuban position which goes a bit further, to the essence of this phenomena, the U.S. blockade which tries to smother the Cuban people through the economic blockade, and the current difficulties we are experiencing here.

As Fidel stated yesterday, it is natural for Third World country citizens to want to seek fortune in developed countries. This is why the flow of immigrants from Cuba is economic in nature as a result of the blockade imposed by the United States.

Well Marcos, Thank you very much. We now have to go to headlines.

'Straight Talk' on Character of Rioters

FL1108162994 Havana Radio Rebelde Network in Spanish 1600 GMT 10 Aug 94

["Straight Talk" program with host Osvaldo Rodriguez of BOHEMIA magazine and Renato Recio of TRABAJADORES newspaper]

[Text] [Rodriguez] I have lately been reading some reports, hearing several conversations, and I believe we need to discuss who the participants in the disturbances were, since some people put absolute blame on our economic problems. Furthermore, some foreign news media mention an explosion of the social situation, and I believe we need to talk straight, and be as fair as possible when evaluating the causes. I believe there is some truth in all this, but I do not particularly believe material difficulties to be the absolute cause for the problem. What do you think?

[Recio] First, I endorse the philosophy that supports the view that nothing is absolute. No truth or explanation of reality can become valid when observed from an absolutist perspective. Yet, there is certain evidence, which I have not gathered together as part of an objective and scientific study. But I have some views of the facts, and though it appears to me that economic circumstances, such as food problems, electric outages, transportation, water, gas supply, clothing, and shoe shortages, are acute problems....

[Rodriguez, interrupting] Also housing and house upkeeping, especially in this area where the events took place.

[Recio] Yes, because you just mentioned the events in Havana, but we should rather say the Centro Habana and Habana Vieja events, where most of the incidents happened. There were places in Havana, the great majority of its neighborhoods, which only knew of the incidents through the radio. There was no....

[Rodriguez, interrupting] Also, the situation returned to normal very quickly....

[Recio, interrupting] We have to keep in mind that the streets of Havana, of these places where the incidents developed, returned to normal, and immediately we could breath with ease. I would not call it a tense calm, such as some reporters would say, there was no tense calm here. It was just calm, without tension. Without visible tension. Citizens were walking through the streets with the same tranquility as ever.

But going back to the subject, I do believe that the economic situation, the current difficult economic and social situation, creates a petri dish, a pressure cooker that could burst. Yet, when I observed, and perhaps the same happens to you Rodriguez, the type of people who actively participated, meaning those who threw stones, shouted, broke windows, attacked policemen, those who led the disturbances, stealing....

[Rodriguez, interrupting] True, because in some of those shops they broke the windows and took the merchandise on display.

[Recio] Yes, and their main intention was to enter those stores, but the workers did not allow them to go inside. Otherwise, they would have looted everything. Observing people of this sort, I believe there is a paradox, and it could question the thesis that endorses social upheaval as a direct consequence of the economic situation. When one really observes the kind of people participating in the incidents, one discovers that those are neither the badly dressed ones, nor those badly fed. Unfortunately, and this is a true disgrace, people of this sort live speculating, trading, looking for dollars in any way, and additionally, they live by stealing and other illegal means. The vast majority of these participants are not workers, they are hustlers.

[Rodriguez] But they are affected by other problems, such as transportation, which they cannot solve. They are also affected by problems with housing, water supply, cooking gas, and I propose to discuss this topic further.

[Recio] As you were just saying, these people are also affected by problems, but they are far less affected. Why?

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Because people of this sort do not even sleep at night, they are in the streets during the electric outages.

[Rodriguez] But do you not believe they are in the streets to avoid the overcrowding they have to put up with at home?

[Recio] This view can be applied to other people, but I am talking about, and describing, the hustler kind, who took advantage of the Malecon incidents to pursue their activities. I am talking about those who sell any sort of thing, barter, and trade. People of that sort are not affected by the problems you mentioned. They do not have to stand in line to eat. They do not rest as workers do, to recuperate following a day's work. They do not go to bed at 2200. They have a different lifestyle, and that is were I was pointing. Those who explain the problems based exclusively on the economic situation should also be able to explain why housewives, workers and their families—who are precisely those who suffer the most due to the adverse situation you were mentioning—instead of participating in creating disturbances, participate in fighting disturbances. I do not know if I made myself clear.

[Rodriguez] Yes, perfectly. I realize that those who fought against the disturbances suffer more hardships than the ones creating them. However, I believe we have to somewhat study this outcast culture. Because these people are outcasts. They separate themselves from society, but also the rest of society separates them. It is a two way process. I believe work should be done regarding these outcast groups. As a matter of fact, there are very interesting experiences in Havana's outcast sectors, where the situation was critical, and also in the provinces. A number of favorable conditions were created, and a number of material measures adopted, and I believe officials could help in this matter. This relates to what Raul Castro was saying in his recent address to the ANPP regarding things that can be accomplished, and were not accomplished yet, using material problems as an excuse. There are some material problems that could probably be solved, or a least addressed. Additionally, historical problems are dragged along. Thus, I do not totally share the views that regard these outcasts as the ones with better living standards. Indisputably, they manage to solve their problems better than their neighbors.

[Recio] No, when I say they live better, I do no imply a life of consumption is better. Dignity and honor are the best way of living in any circumstance. I share the view that humane and political sensivity are needed, as well as anticipation, things need to be done before disturbances happen. I agree with this. Yet, I have no doubt that these outcast elements do not have an ethical upbringing. They do anything for money, to help themselves. Many people of this sort could be rescued, they could go back to live in decent ways. But many of them feel this sensation that I will describe:

Today there are circumstances in Cuba that prompt some people to consume and to show off wealth acquired with dollars. The current situation also favors the abnormal attitudes of some businessmen. Thus, many believe themselves to be capitalists, and to have capitalist talents to live in a pure market oriented economy. Then, they see themselves as victors, such as those in Miami. And this is not true. I want to recall that people who left in the Mariel boatlift, including a not insignificant group of antisocials, have felt discrimination from other groups that left earlier and see them as inferior.

[Rodriguez] I do be believe that false hopes motivate many of these people, but perhaps, if you were to stop some of them in the streets and ask their motivations, I doubt that any of those participating could come up with an idea. For instance, I believe there was revenge against police, whom they tried to attack. There was revenge against tourist stores, because that was what they also attacked. They did not throw stones at every state car, but only at police cars. They did not hit anybody they found in their way, they only attacked some policemen. Above all, when they felt they were in the majority, controlling several corners, they felt empowered. When the first truck of workers from the Blas Roca Contingent arrived at the corner where the Deauville Hotel is located, they were probably fewer in number than the aggressors. However, all aggressors dispersed. This makes one realize that these individuals did not defend a solid ideal.

[Recio] This is true. These people do not subscribe to an ideal, they do not have ideals, they hide behind chaos, they benefit from chaos and disorder. They are enemies of any kind of order. Then, what you just said about revenge toward the police, institutions, and order is not strange at all. These people who benefit from disorder see everyone taking part in maintaining order as enemies. They do not respond to ideas, political views, or ideology, but to base and primitive instincts. Their behavior and the way they are is based on, quote, making do, end quote, such as: I make do, I eat, I drink, I do as I wish....

[Rodriguez, interrupting] Selfish attitudes.

[Recio] Selfish, undisciplined, and disenfranchised, above all. We can see that even though there was a certain solidarity in the groups because of what they were doing, they still were not united; one could not call them a band. Another observer, our station operator Nunez, was telling me that he did not see these groups as bands, there was no organization among them. A group with some common interests gathered, and others followed. However Rodriguez, I find a true fact interesting: these outcasts, with no ideology, morals, decency, order, discipline, or unity, are the social foundation on which imperialism relies to exert pressure on Cuba. I am talking about the U.S. Government, which promotes war on Cuba. On the other hand, the Revolution can rely upon a different social foundation, which includes workers, farmers, students, people with organization ability, ideas, and principles.

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[Rodriguez] We can say that there were participants, observers, and, quote, passive supporters, end quote, during the Malecon incidents.

Thank you Recio for talking straight about this topic that is so interesting for all Cubans.

Interior Minister Praises Policeman, Worker's Attitude

FL1108182794 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 11 Aug 94

[From the "NTV" newscast]

[Text] Interior Minister Abelardo Colome Ibarra visited the young policeman and Blas Roca Calderio Contingent worker injured by antisocial individuals on 5 August. Policeman Alejandro Javier Zamora Mauri, who is hospitalized at the Hermanos Ameijeiras Clinical Surgical Hospital, found the meeting with Colome Ibarra inspiring. Alejandro is still recovering from the attacks by antisocials. Zamora's guarded health did not prevent him from expressing to Colome Ibarra his willingness to return to his post in Centro Habana.

[Begin Zamora recording] Please tell our commander in chief that he can count on me for anything and that soon I will be back on the streets serving him, and the Revolution [pauses] and the people, who deserve everything. [end recording]

High-level Interior Ministry officials accompanied Colome Ibarra on his to visit Jose Boche, a worker of the Blas Roca Contingent. General Colome Ibarra inquired about Boche's health and spoke with Boche's friends and relatives who took advantage of the opportunity to express their firm commitment to follow his example. This was particularly stressed by his mother:

[Begin Boche's mother recording] I wouldn't hesitate to do what he did. Onward! He too has to keep going! [end recording]

At every stop, Colome Ibarra praised the exemplary attitude demonstrated by Jose Boche and police Sergeant Alejandro Javier Zamora in repelling the antisocial individuals.

Opposition Leader Seeks Dialogue With Castro

BR1108100294 Rome LA REPUBBLICA in Italian 11 Aug 94 p 13

[Telephone interview with Cuban Democratic Platform leader Carlos Alberto Montaner by Alessandro Oppes in Madrid; date not given: "Montaner's Appeal: 'Fidel, It Is Time for a Dialogue'"—first paragraph is LA REPUBBLICA introduction]

[Text] "I have the impression that the story is not yet over. However, the final phase has definitely begun." Carlos Alberto Montaner is convinced that the fall of Fidel Castro does not lie just around the corner. As president of the Cuban Liberal Union and supreme leader of the Democratic Platform, which comprises the three largest moderate opposition groups, Montaner lives in exile in Madrid. LA REPUBBLICA interviewed him by telephone.

[Oppes] So, the time for a change has not yet come?

[Montaner] It is very difficult to make predictions. We have known for some time that a good proportion of our youth is desperate, and when there is no opportunity to demonstrate one's own dissent, one moves on to the stage of revolt. However, the popular uprising we have already seen—and which could be repeated in the future—is not yet an organized protest movement born of the initiative of groups with a wide popular following. These are merely acts of desperation. For this reason, the end of Castroism is not yet imminent. The turnaround will become inevitable when the already serious economic crisis becomes so serious that Fidel will no longer have a choice: He will have to accept change.

[Oppes] Do you think that the change could be violent?

[Montaner] If it is, it will be the fault of the regime alone. It is Castro who is provoking a violent end to his government. If he does not authorize the possibility of a civilian and democratic opposition, there will be an increasing number of hijackings of airplanes, boats, and ships, and an increasing number of violent events.

[Oppes] Should the American economic embargo be maintained or lifted?

[Montaner] It will be maintained in any case, because in reality it is not an American embargo, it is an embargo by the Cubans in America. The Clinton Administration will not lift it, just like preceding administrations did not lift it. He cannot run counter to the extremely powerful Cuban lobby in Miami.

[Oppes] However, do you think it is doing any good to continue down this path?

[Montaner] The United States should say that it is prepared to review the embargo provided that Cuba is prepared to accept a political change.

[Oppes] Is there news of tension within the communist party?

[Montaner] There has been tension for some time now. This tension is primarily the result of the generation gap. The old guard does not want to change. They are afraid (the Cuban who is most afraid at this time is Fidel himself) and the younger people are calling for a peaceful transition. There are senior party leaders, such as [Young Communist Union Secretary] Roberto Robaina, who want political openness, but they cannot say so.

[Oppes] Is there any communication between the opposition and those sectors of the party in favor of openness?

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[Montaner] Yes, for some time now there have been contacts via embassies and letters, and even the odd personal contact with people who are very senior in the administration and who are very concerned about this brewing crisis.

[Oppes] What is the current strength of the Cuban opposition?

[Montaner] Within Cuba there is a virtually symbolic organized force: small groups for human rights, as there were in Eastern Europe before 1989. However, this is a force that could play an important role in a transition phase, because it could consolidate and channel the protest along democratic lines. Then, of course, there is the major force of Cuban opposition in Florida.

[Oppes] That opposition is often quite rigid in its right-wing extremism.

[Montaner] That is true. One should realize that if this regime comes to a violent end, then the most intransigent sectors will have a very important role. This is a very great danger for the future of Cuba. When Fidel Castro says that he would rather see the island sink than renounce Socialism, he himself is speaking like certain opposition leaders in Miami, who would be prepared to sink Cuba to free it of the dictator.

[Oppes] If you could talk to Castro face to face tomorrow, what would you ask him?

[Montaner] I would ask him to finally agree to a dialogue. I would tell him that the opposition leaders abroad have the necessary international credibility to come back to Havana within 24 hours and work with the government for a peaceful change, without spilling blood, and by undertaking a transition that should culminate in free elections. First of all, however, Fidel must accept an amnesty and grant freedom of opinion.

Roundup of Politburo Members' Activities

FL1008115194

[Editorial Report] The following is a compilation of reports on the activities of members of the Politburo of the Central Committee of the Communist Party of Cuba monitored from 2 to 9 August.

Roberto Robaina met members of the sixth contingent of the Canadian Solidarity With Cuba Brigade on 2 August. (Havana Radio Rebelde Network in Spanish 1700 GMT 2 Aug 94)

Yadira Garcia Vera, first secretary of the Communist Party in Matanzas, will chair a ceremony where citrus farms workers from Union de Reyes and Jaguey Grande Municipalities will announce production pledges for the citrus campaign which starts today. (Havana Radio Rebelde Network in Spanish 1700 GMT 9 Aug 94)

Julian Rizo Alvarez, first secretary of the Communist Party in Camaguey, visited the Camaguey Genetic Engineering and Biotechnology Center to evaluate the current situation, and the prospects of research projects on food production. (Havana Radio Rebelde Network in Spanish 1700 GMT 9 Aug 94)

Candido Palmero Hernandez, first secretary of the Communist Party in Havana, stated the need to speed up soil preparation for the winter planting campaign. Palmero visited the vegetable and tuber farms in Artemisa, Alquizar, Guira de Melena, and San Antonio de los Banos Municipalities. Palmero "criticized the bad work performed in plantain farms in Alquizar, which used the microjet system, and which are under the charge of the Youth Labor Army." (Havana Radio Rebelde Network in Spanish 1700 GMT 9 Aug 94)

Alfredo Jordan chaired in Villa Clara Province a meeting of the province's Communist Party of Cuba. Jordan stressed the need to increase food production efforts. Jordan wrapped up his visit with a trip to the province's agricultural production areas. (Havana Radio Reloj Network in Spanish 1933 GMT 9 Aug 94)

Alfredo Hondal awarded the workers of the Martires Del Moncada Poultry Farm, in Ciego de Avila. Hondal praised the workers for their efficiency and production efforts. (Havana Radio Reloj Network in Spanish 1946 GMT 9 Aug 94)

Inter-Caribbean Affairs

Regional Development Meeting Discusses NAFTA

FL1108125594 Castries HTS Caribvision Television in English 1945 GMT 10 Aug 94

[From the "Caribbean Evening News" program]

[Text] The smaller Caricom [Caribbean Community] states are ahead of their larger neighbors in terms of macroeconomic stability, one of the criteria for NAFTA accession. However, an official of the Economic Commission for Latin America and the Caribbean, ECLAC, says the ACS [Association of Caribbean States] could only meet the entry criteria for NAFTA in the long term. This is part of the findings of the recently concluded 15th session of the Caribbean Development and Cooperation Committee, CDCC. The CDCC is an arm of the Economic Commission for Latin America and the Caribbean. The report of the plenary session also predicted increased unemployment and other negatives, whether or not the countries join NAFTA. Brian Carter has this report:

[Begin recording] [Carter] Mr. (El Haj) says that certain policies will have to be pursued by regional governments regardless of NAFTA accession.

[(El Haj)] There were weaknesses in almost all the countries. Of course, some countries were more advanced or, you know, stronger in certain areas than others. But that there were certain actions that had been taken by the various governments in order to redress or remedy these weaknesses. And also we found out that the

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eligibility (?criteria) as outlined were the same [rephrases] which would be brought about by the same economic policies that will actually bring positive economic effects to the countries of the region.

[Carter] But Mr. (El Haj) recognizes that there is a short-term cost.

[(El Haj)] And indeed this is a major adjustment because of the [word indistinct] of trade [word indistinct] shift resources around. And indeed, therefore, employment and production are going to change. And in the process, of course, people are going to be unemployed, and, well—sometimes for a long time, sometimes for shorter terms—but those are some of the things that some social programs the government has to devise in order to deal with these aspects.

[Carter] Regional organizations are being urged to participate in the formulation of compatible policies and alliances with governments as facilitators. The CDCC favors open regionalism.

[Unidentified CDCC member] Ways are also being studied to see to the extent to which people in the universities, people in nongovernmental organizations [word indistinct] designed to include universities, for instance, might get together within the ambit of this ACS to pursue common interests and to develop common programs. So, I think it is making [rephrases] taking benefit from the lessons we have learned from the past to widen the net to empower a much larger range of (?address).

[Carter] The UN hosts a world social summit in March of next year in Copenhagen during which the issues of poverty, unemployment, and social fallout will be discussed. [end recording]

Haiti

Soldiers, Civilians Demonstrate in Cap Haitien

PA1208005794 Madrid EFE in Spanish 2223 GMT 11 Aug 94

[Text] Port-au-Prince, 11 Aug (EFE)—Soldiers and civilians linked to the Haitian Army today participated in a parade in Cap Haitien in the northern part of the country, some 256 km from the capital.

The group demonstrated against a possible foreign invasion of Haiti, and it shouted hostile slogans against the United States and President Jean-Bertrand Aristide, who was overthrown by a group of military officers in September 1991.

While the military-civilian parade was taking place, residents of poor neighborhoods in Cap Haitien said they do not participate in these kinds of demonstrations. They said the only thing that could put an end to the current crisis in Haiti would be for General Raoul Cedras to resign and President Aristide to return to power.

Meanwhile, the "de facto" government decreed a holiday tomorrow in response to a request from the Catholic Episcopal Conference and Protestant evangelists. Earlier this week, bishops and Protestant leaders called for three days of prayer, 12-14 August, to leave the country in God's hands.

The "de facto" government replied positively to the request, and, therefore, temples and churches will be open to worshipers. Signs can be seen on the streets of Port-au-Prince saying the country is in God's hands.

It was also learned that deputies linked to the Army, who on Wednesday received military uniforms, will stage a military parade tomorrow. Legislators from the Alliance for Parliamentarian Cohesion will participate in the march. They displayed the uniforms, which they said were given to them by soldiers, but the Armed Forces did not confirm this.

Meanwhile, Chilean Ambassador to Port-au-Prince Luis Barin is preparing to leave Haiti, after the Chilean Government decided to close its embassy. Barin is trying to obtain authorization to leave the country across the Dominican border.

Jonassaint Government Declares 12 Aug Holiday

FL1208013394 Port-au-Prince Radio Metropole in French 1045 GMT 11 AUG 94

[Text] A governmental decree has declared 12 August a national holiday. The decree is aimed at giving Haitians time to respond to the Catholic and Protestant churches' call for a three-day period of prayers. Rothchild Francois Jr. has more details:

[Begin Francois recording] Article No. 1 of this decree states that 12 August has been declared a national holiday. Churches will remain open during this day in order to allow Haitians, wherever they may by, to pray for divine mercy on the Republic of Haiti. According to this press release, public offices, businesses, factories, schools, and universities will not open on this day. The decree was issued on 10 August by Provisional President Emile Jonassaint and members of his government. [end recording]

Legislators To Take Part in Military Parade 12 Aug

FL1208023294 Port-au-Prince Radio Metropole in French 1045 GMT 11 Aug 94

[Passages in quotation marks in Creole]

[Text] A military parade will be held on the streets of Port-au-Prince on 12 August. On this occasion, several legislators wearing the olive green uniform will most likely be seen among the members of the military.

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On 10 August, deputies received olive green uniforms from the Haitian Armed Forces. Those legislators are expected to participate in the military parade through Port-au-Prince. Arms and ammunition will also be distributed among the deputies who have reportedly already participated in some training sessions organized by the army. The legislators involved in the training sessions, most of whom are members of the so-called Alliance for Parliamentary Cohesion, include a former member of the National Front for Change and Democracy [FNCD] and a dissident from the Movement for National Reconstruction [MRN] led by Rene Theodore.

Jacques Seignon, a former member of the FNCD, and Jacques Lafleur, a former member of the MRN, agreed to answer questions for Radio Metropole:

[Begin recording] [Seignon] "This uniform will be worn immediately, since we are already in training. All of us will participate in the parade and will dress in military uniforms. We have nothing to hide. Here you can see the cap, pants, and shirt. We will have weapons and other arms that we must have in order to fight. I will still be a legislator, but when the fatherland is in danger, every man, regardless of who he is, must take up arms and dress in military attire because according to the constitution," military service is mandatory for every Haitian citizen.

[Lafleur] "We are going to hold a parade. All of us must dress in military attire so that we all be part of the parade. The parade will be held on 12 august. We will show the Americans that our military is prepared. I mean, we want to show them that we are getting ready. If you spoke of an intervention, it is normal for all Haitians... [pauses] How did we win our independence? We have a tradition. In Haiti we have a tradition in fighting. We are asking the FNCD deputies to also take up arms. I am on the side of the Haitian People. If there is a threat of intervention, all Haitians must rally and say no.

"I represent the people of my region. The people will never accept an intervention. After the first bomb falls in Haiti, and the people see that their children killed, they will not just stand and watch the foreigner.

"I am ready. I will participate in all the training sessions whether or not there is an intervention. Every Haitian should know how to handle a weapon. I will go get my uniform if they are giving them out. Naturally, some deputies are being trained in view of a possible invasion in Haiti. It is normal that those deputies receive a uniform." [end recording]

Chamber of Deputies President Advocates Military Training

FL1208000594 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Aug 94

[Text] Training sessions continue in Haiti. Several thousands of civilians voluntarily responded to the Haitian Army's call for the defense of the homeland. On 10 August, these volunteers presented themselves to Delmas 31, Carrefour, and Champ-de-Mars. They were lacking nothing. They had weapons, ammunition, and technical supervision. Legislators were also present. They advocated a mandatory military drill at all levels, and this is what they will propose to the parliamentarians.

Frantz Robert Monde, president of the Chamber of Deputies, stated that there was nothing abnormal about deputies preparing to face invaders. Deputy Monde believes it is quite normal for deputies to volunteer, being—like all other volunteers—Haitians willing to risk their lives to defend the national sovereignty which threatened is currently being threatened by foreign powers.

[Begin recording] [Monde] What is so strange about deputies training? Did you know that most U.S. Congressmen were in the military? I do not see what is so strange about it. This is a reaction of negroes. Questioning the fact that deputies are participating in these trainings is a reaction of negroes. We are not ashamed of this and there is nothing alarming about it. Let me ask you a question. In the event that foreigners were to invade our country, would you just standby and watch? It is only normal for one to defend his homeland.

[Unidentified journalist] What do you think about the distribution of uniforms?

[Monde] I did not know that uniforms were distributed? Were they?

[Journalist] Yes.

[Monde] Really? I was not aware of that. Maybe, you were invited as witnesses. Until now, the president of the office [of the chamber of deputies] has not been informed. [end recording]

Further on Legal Proceedings Against Aristide

FL1108230694 Port-au-Prince Signal FM Radio in French 1030 GMT 11 Aug 94

[Passages within quotations in Creole]

[Text] Legal proceedings against President Jean-Bertrand Aristide have begun. According to public prosecutor Florence Mathieu, Mr. Aristide's file has already gone before the Justice Department. Mrs. Mathieu pointed out that Aristide will be tried under Article 58 of the penal code.

[Begin Mathieu recording] Well, the letter states that he will be tried under Article 58 of the penal code which stipulates that once an individual supports secret dealings with enemies of the state, he immediately falls within the scope of crimes and offenses against the state. A complaint has been filed against Jean-Bertrand Aristide and Fritz Longchamp and we are obliged to prosecute them.

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[Journalist] "Have you received any other complaints as Mrs. Mireille Durocher Bertin and others have called for? Have you received anymore complaints?"

[Mathieu] "No, the only complaint we have received is that of the Ministry of Justice. We have not received any other complaints."

Heavily Armed Individuals Attack Senator's Home

FL1108195194 Port-au-Prince Signal FM Radio in French 1030 GMT 11 AUG 94

[Text] A parliamentarian is in jeopardy. The Parent brothers barely escaped on 9 August, when heavily armed individuals invaded the home of the Parent brothers in Marlite, a section located in the commune of Petion-Ville, leaving one person injured. It was about midnight, says one of the members of the Parent family, when they smelled an unpleasant odor. It was tear gas. Suddenly there was gunfire and we were surrounded. These individuals threatened and insulted Senator Clark Parent and his sister, Petion-Ville Mayor Claire Lydie Parent for about two hours. From medical sources, we have learned that Esther [not further identified] was shot in the knee but is not in serious condition. The attackers promised to return while the Parent brothers have left it up to God to help them out of the situation.

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Roundup of Electoral Developments

PA1108214394

[Editorial Report] The following is a compilation of reports on developments related to the Mexican elections scheduled for 21 August.

On 5 August, Ernesto Zedillo, Institutional Revolutionary Party (PRI) presidential candidate, ended his Catepec Municipality presidential campaign at the athletic field in poverty-stricken La Canada. Residents demanded basic services, such as drinking water, sewage systems, public security, and transportation. Meanwhile, in Posa Rica, Veracruz State, Diego Fernandez de Cevallos, presidential candidate of the National Action Party (PAN), said the nation's petroleum belongs to all Mexicans, not just the government or foreigners. He closed his Veracruz election campaign in Posa Rica. Also on 5 August, Cuauhtemoc Cardenas, presidential candidate of the Party of the Democratic Revolution (PRD), held a news conference in Guadalajara and charged that multiple voting credentials have been issued to Mexico City residents who have aliases. (Mexico City XEW Television Network in Spanish 0430 GMT 6 Aug 94)

During a flight from Saltillo to Mexico City, PAN presidential candidate Diego Fernandez de Cevallos said no one will be able to implement a government program that fails to take Subcommander Marcos and the Zapatist National Liberation Army into account. He also noted that if he wins the elections, he will ask Marcos to cooperate with his government. (Mexico City LA JORNADA in Spanish 2 Aug 94 pp 1, 6)

In Tijuana on 9 August, PAN candidate Diego Fernandez promised to fight corruption if he is elected president. Police security was intense while the PAN candidate was in this city in which he denounced the fact that "crime and drug-trafficking have increased markedly." (Monterrey EL NORTE (Foreign Edition) in Spanish 10 Aug 94 p 1A)

PRD presidential candidate Cardenas, speaking to a large crowd in Morelia, has urged the government "to change its decision not to respect the results of the elections." He also called for an end to "fraudulent operations and illegal economic support" for PRI candidates. (Mexico City EL FINANCIERO in Spanish 8 Aug 94 p 58)

Pablo Emilio Madero, presidential candidate of the Mexican Democratic Party, said in Jalapa, Veracruz, that votes are the weapons of democracy, and, in turn, the people have democracy in their hands. Madero closed his campaign in this region at a meeting in which he said violence is not the way to achieve democracy. He added that before the elections can be defended, they must first be held. (Mexico City Radio ACIR Network in Spanish 0000 GMT 10 Aug 94)

Jorge Gonzalez, presidential candidate of the Mexican Ecologist Party, has confirmed there are guerrilla groups in the states of Oaxaca and Guerrero and that they must not be considered bandoleros because they are rebels who are struggling to improve their regions. He said this at Mexico City International Airport. (Mexico City Radio ACIR Network in Spanish 0000 GMT 5 Aug 94)

PRI Finance Secretary Oscar Espinoza Villareal reported yesterday that the country's private sector has contributed between 54 billion and 67 billion pesos to the campaigns of PRI candidates in the 21 August elections. (Mexico City LA JORNADA in Spanish 3 Aug 94 p 4)

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Honduras

Congress Vice President on Differences Between Reina, Army

PA1108200594 San Pedro Sula TIEMPO in Spanish 10 Aug 94 p 10

[Text] Tegucigalpa—National Congress Vice President Jorge Arturo Reina yesterday confirmed that differences arose between the Honduran Armed Forces and President Carlos Roberto Reina but asserted that there is now a greater rapprochement between them.

According to news reports, Colonel Mario Hung Pacheco told the president, who was meeting with the Armed Forces Higher Council, to reach an agreement with the military because it was thanks to them that he (Reina) was sitting on the presidential chair. The remark irked the president. The legislator said he was not aware of that situation, but "I can tell you that in Honduras the Higher Council does not traditionally meet with the president as commander in chief, and some officers voiced their differing and personal views." He noted that during the meeting the president acted strongly to keep some officers from disrespecting his office.

According to the president's brother, the meeting was very useful for military and civilian society, "and whatever happened there helped relieve the tensions and prejudices that have existed for a time due to the belief that the Liberal Party was the foe of the Armed Forces."

This situation, he said, was explained at the meeting, during which President Reina's rank prevailed as commander in chief of the military institution. "This serves to bring the Armed Forces closer in a stricter sense to their commander, who is also the constitutional president."

In his opinion, the discussion between the two sides resulted in a positive balance for the country because nobody imposed his will on the other. Instead, the president stressed his status as commander general and president, "and the Armed Forces Higher Council did not question or doubts it. They behaved in a manner befitting professional soldiers who have been entrusted with hierarchy, honor, duties, and sacrifice."

Commenting on remarks by General Luis Alonso Discua Elvir that politicians are attacking the military institution, legislator Reina said that may be true, but not of the Liberal Party.

He also said that Discua Elvir is right to say young men have a constitutional duty to defend the fatherland, but the military must create the necessary environment for them to join, that way the Armed Forces will not have to "hunt" young people down through violent means.

He said that the Military Service Law is still in effect because the Volunteer Military Service must be approved by a second legislature. "In that respect, recruitment must be conducted with strict adherence to the law, unlike previous practice. There has never been any opposition to making young men do their military service, so long as it is done through the recruitment established by the law," he noted.

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Argentina

Cabinet Discusses 'Strained' Iran Ties, Haiti Issue

PY1108235194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1928 GMT 11 Aug 94

[Excerpts] Buenos Aires, 11 Aug (NA)—On 11 August, the cabinet analyzed Argentina's strained relations with Iran in the wake of the court report which claims that Iranian diplomats were implicated in the bloody attack on the Argentine-Israeli Mutual Association [AMIA] headquarters. It nonetheless decided "not to break off relations" with the Islamic nation until "having exhausted all alternatives."

Furthermore, the cabinet decided that "for the time being, it will not submit" to Congress any bill "to seek authorization to send troops to Haiti" in order to engage in battle."

The cabinet meeting, which was presided over by President Carlos Menem, was held at the Olivos presidential residence. The cabinet members also discussed a report on the Federal Educational Pact, the final version of which will be signed in the Province of San Juan on 11 September during a ceremony to be attended by the head of state. [passage omitted]

Foreign Minister Guido Di Tella said that the federal government will establish several lines of action according to how decisions by the Argentine justice unfold in order to adopt a resolution concerning the attack on the AMIA headquarters.

"Had the severance of diplomatic relations with Iran enabled us to arrest the perpetrators of the attack on the AMIA headquarters, we would have done it already," he stated.

He noted that the government will await the results of the pre-trial inquest before adopting any measures.

Di Tella stated that the final decision will be adopted "according to the attitude adopted by Iranian diplomats in case they are subpoenaed by the Argentine justice to testify before the courts."

He went on to say that to begin with, the federal judge who is holding the inquest "may request the extradition of Iranian officials, and then summon them to make a deposition, which will entail their waiving their diplomatic immunity."

The foreign minister explained that the executive branch "will adopt the measures it deems necessary" according to what Iran resolves to do and how it cooperates with the investigation.

He stated that the severance of relations will be the last resort "and it will only be adopted once all the other alternatives have been exhausted."

He went on to say that it was his considered opinion that it was "quite" possible the courts will request the extradition of the four Iranian diplomats whom the Argentine justice suspects of being implicated in the AMIA bombing.

Di Tella said that the extradition must be filed by Judge Galeano "and it is a decision that may be taken soon."

He termed Argentina's current relations with Iran "stormy," noting that the fact that the ambassador was summoned to be given a "harsh" note gives an idea that we are taking all possible steps before breaking off relations." [quotation marks as received]

He then pointed out that the Argentine Government will act with prudence "but with firmness" in the case involving the attack on the AMIA.

Asked about the risks that Argentine diplomats and citizens living in Iran may run if relations with that country are severed, Di Tella replied: "If we exercise caution and act within the framework of diplomatic rules, the risks that our diplomats may run are negligible. Likewise, the Argentines who have already been alerted about this situation must be taking the appropriate measures." [passage omitted]

Di Tella, Camilion 'Reconciled' Over Haiti Policy

PY1208000994 Buenos Aires LA NACION in Spanish 11 Aug 94 p 2

[Article by Eduardo Barcelona]

[Text] Foreign Minister Guido Di Tella and Defense Minister Oscar Camilion have reconciled their differences at the office of the Secretary General of the Presidency, Eduardo Bauza. They have agreed to stop bickering with each other over Argentina's possible participation in a military landing in Haiti.

The meeting was held in the utmost secrecy on 9 August in the presence of the secretary general of the Presidency, who conciliated between them.

The difference of opinions between both ministers brought matters to a head, so much so that a figure respected by both of them had to arbitrate the dispute between them.

In the course of the public discussion about whether Argentina had to send servicemen to Haiti, both Camilion and Di Tella addressed the issue as if they were in charge of each other's portfolio.

Di Tella's advisers got very annoyed when Camilion answered questions to CNN as if he were the foreign minister. Still, Camilion's aides threw their hands in the air when Di Tella announced the U.S. offer to supply the Navy with British Rolls Royce engines. The United Kingdom imposed an embargo on the sale of weapons to Argentina during the Malvinas war.

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The laying down of the battle-axes takes place at a time when rumors about a cabinet reshuffle seem to be gaining momentum. Accredited government spokesmen constantly mention both Di Tella and Camilion as likely candidates to step down or change portfolios.

The Drummond Cast Off

On 10 August, Admiral Enrique Molina Pico, the Navy chief of staff, ordered the casting off of the corvette Drummond, bound for Haiti. The departure ceremony, which took place at Puerto Belgrano Naval Base, was presided over by Jorge Baeza, secretary of military affairs at the Defense Ministry.

Baeza and Adm. Molina Pico did not rule out that the corvette Guerrico may stay in Haitian territorial waters following the arrival of the Drummond. This is allegedly meant as a political gesture by Argentina to the White House, which intends to invade the island and reinstate Jean-Bertrand Aristide as president.

When issuing his order, Adm. Molina Pico reminded the Drummond crew that by the time they arrived in the area, the invasion may have already started. He therefore urged them to behave with professionalism.

Caputo

According to diplomatic sources, Argentina has proposed that Dante Caputo, the UN-OAS mediator, be sent to Haiti as a last attempt to have the military coupists leave power of their own accord before an armed intervention by the United States takes place.

The Argentine initiative has been submitted to representatives from the United States, Canada, and France before the United Nations. These countries, together with Venezuela, belong to the 'group of friends of Haiti," which are in charge of mediating in the conflict.

Envoy to Iran Summoned; Accused Iranians To Sue

PY1108143094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1322 GMT 11 Aug 94

[Text] Buenos Aires, 11 Aug (NA)—Very reliable sources in Tehran have reported that the four Iranians that have been accused in the Buenos Aires attack case are going to bring suit against the Argentine judicial branch.

The sources indicated that the four persons have asked the Iranian foreign minister to "help them with the procedures."

According to the sources Martin Rivolta, Argentine charge d'affaires in Tehran, was called to the Foreign Ministry during the early hours of 10 and 11 August and "warned of the intention of these four Iranian citizens."

They added that "the Iranians believe they have been harmed by the slander of the Argentine judicial branch, which has accused them without having any evidence."

The Argentine court system has issued international requests for the arrest of those four men, three former diplomats and a deputy who visited Argentina in December 1993, on the basis of their possible involvement in the attack against the offices of the Argentine-Israeli Mutual Association, which caused close to 100 deaths in July.

Suspicion has also fallen on another three Iranian diplomats who are currently holding posts in Buenos Aires.

On 11 August Iran termed it "a U.S., British, and Israeli plot" after Argentina made known the accusations against its diplomats. The Iranian representative to the United Nations condemned Argentina's "allegations" and requested that it "present documentation and evidence of its accusations against Iranian citizens."

The radical Iranian media on 11 August demanded the breaking of diplomatic relations with Argentina and Great Britain.

Vice Foreign Minister: Iran To 'Cooperate'

PY1108144694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1303 GMT 11 Aug 94

[Text] Buenos Aires, 11 Aug (NA)—Foreign Vice Minister Fernando Petrella confirmed today that the Iranian Government will cooperate in the investigation into the AMIA [Argentine-Israeli Mutual Association] bombing and ruled out, for the time being, the possibility of expelling Hadi Solaymanpur, Iranian ambassador to Buenos Aires, from our country.

Petrella indicated that the Iranian Government "confirmed that it would cooperate in the investigation, within the framework of diplomatic guidelines." He believes "this cooperation may be implemented with the assistance of the courts."

The foreign vice minister admitted that Solaymanpur's situation is "very tense and delicate," although he ruled out, "for the time being," the possibility of making a decision to expel him from our country.

In remarks to a radio station this morning, Petrella noted: "For the time being, no decision will be made concerning the Iranian ambassador, as he is not involved in the court inquest. Any measure against him would only have a symbolic impact."

Petrella indicated that Foreign Minister Guido Di Tella "gave him (to the ambassador) a note, asking the Iranian Government for very specific information that is extremely necessary in pursuing the investigation."

In this regard Petrella noted that Argentina "must be a leading country among those countries that go straight to the point and say: 'Gentlemen, look at what we have; you must cooperate.'"

Moving on, Petrella emphasized that through a note presented yesterday to the Argentine charge d'affaires in

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Tehran, the Iranian Government had "ruled out the possibility of any involvement by the four Iranian diplomats against whom arrest warrants have been issued."

The officials against whom Judge Juan Jose Galeano has issued domestic and international arrest warrants are Akbar Parvaresch, Ahmad Falsafi, Abbas Khorasani, and Monsef Gholamreza.

In this regard Petrella pointed out that the Iranian Government "has ruled out the possibility of any involvement by these officials, and gave reasons that were reported to Judge Galeano."

Petrella indicated that "the Iranian Government did the same concerning the two people who are currently assigned to the embassy," referring to Gholamreza Zangeneh and Ahmad Reza Asghari, who, according to repented Iranian diplomat Manuchehr Motamer, were also involved in the Israeli Embassy bombing two years ago.

Supreme Court Undecided Over AMIA Case

PY1208045894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0037 GMT 12 Aug 94

[Text] Buenos Aires, 11 Aug (NA)—Quite unexpectedly, on 11 August the Supreme Court declared itself in "permanent session" to continue analyzing its possible intervention in the inquest concerning the attack perpetrated on the Argentine-Israeli Mutual Association [AMIA] headquarters.

Contrary to expectations, the Supreme Court did not manage to reach a consensus on the case in today's sitting. Nevertheless, it issued a document summing up the inquiry into the attack on the Israeli Embassy.

To that effect, the Supreme Court acknowledged that "no concrete results have been achieved thus far that would lead the investigation to those responsible for this attack."

In today's sitting, at which nearly all justices were present, the Supreme Court analyzed the court report submitted by Federal Judge Juan Jose Galeano in order to establish whether the Supreme Court will have "original jurisdiction" on account of the fact that Iranian diplomats were allegedly implicated in the attack, perpetrated on 18 July.

Galeano also submitted to the Supreme Court a copy of his ruling to establish whether there are links between the attack on the AMIA and the one perpetrated on the Israeli Embassy in Buenos Aires in March 1992 among the elements that have been compiled so far.

Nevertheless, an extra-judicial element might have led the Supreme Court justices to adjourn on the evening of 11 August and declare themselves in permanent session.

According to reliable sources, the justices reportedly took this decision while awaiting further information about a possible severance of diplomatic relations between Argentina and Iran. In light of the statements made by both governments over the last 48 hours, bilateral relations are very tense.

If diplomatic relations with Iran were to be severed, its diplomatic delegation would have to leave the country. Consequently, Galeano would continue to be in charge of the inquest, since the Supreme Court would thus lose its original jurisdiction.

Galeano himself recalled this afternoon that the arrest order at the national or international level that he ordered on 9 August was issued for "former Iranian diplomats," which was interpreted as a means to limit the Supreme Court's intervention solely to two current Iranian officials who hold posts at the embassy.

The Iranians whose arrest was ordered by Galeano are: Ahmad Allameh Falsafi, Mahvash Monsef Gholamreza, Akbar Parvaresch, and Abbas Zarkabi Khorasani.

When leaving Courthouse, Justice Edurado Moline O'Connor said that "Judge Galeano continued to be in charge of the inquest" and that the Supreme Court analyzed its possible intervention within the framework of what the Constitution establishes in Article 100 pertaining to the cases in which "ambassadors or members of the diplomatic corps" may be involved.

The Supreme Court was in session in the morning and adjourned until 1830 [2100 GMT]. It was then that it decided to declare itself in permanent session and continue its deliberations on 12 August.

In a communique released this evening, the Supreme Court recalled having requested of Judge Galeano "the submission of all copies that may be of interest" for the Israeli Embassy case. It stated that "since the proceedings" of the AMIA case "were confidential," the ones regarding the Israeli Embassy "were also considered confidential."

The communique notes that "the Supreme Court had from the very beginning the original jurisdiction stipulated in the Constitution to investigate the attack perpetrated on the Israeli Embassy on 17 March 1992."

It points out, moreover, that "in the case, which comprises 23 books of proceedings and 4,400 folios, all possible investigation measures were ordered."

"With regard to the cause of the explosion, appraisals by experts determined that in all likelihood, a Ford F100 loaded with trotyl, pentryl, and exogenous was used. It is not known whether the driver died in the attack," it says.

The communique says: "During the investigation into the origin of the elements involved and the efforts to find out who was responsible for the attack, officials heard the testimony of more than 300 witnesses and ordered many experts reports which already fill five bodies of documents linked to explosives, chemicals, medical legal aspects, and calligraphic and scopometric aspects." Also,

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"recognition tests by groups of people and through use of photographs on possible suspects (international terrorists, members of fundamentalist organizations, etc.) were conducted; video cassettes of different origin were analyzed; international organizations were consulted on similar acts; and the possible origin of explosives was investigated."

The court mentions that "intelligence reports on the possible responsibility of an Iranian terrorist group were studied based on an original claim of responsibility and the international geopolitical situation."

The document says that "all reports and information that were thought to be serious were investigated and the official in charge of the inquiry was informed about them." The document says: "There was a permanent work of comparing data and evaluating proof."

The communique concludes by saying: "However, it has not been possible, so far, to conclude anything concrete leading the investigation toward those responsible for the attack."

Minister Augusto Belluscio, who is traveling abroad, did not participate in this morning's meeting. Carlos Fayt was also absent during the afternoon.

Tonight Minister Guillermo Lopez admitted that the court has stayed in permanent session, while Moline said that they will stay in their offices tomorrow waiting to be summoned.

'Repented' Iranian Offers Assistance in Ecuador

PY1208135494 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1013 GMT 12 Aug 94

[Text] Buenos Aires, 12 Aug (NA)—Foreign Ministry Secretary Andres Cisneros confirmed this morning that "repented" Iranian Manuchehr Motamer [name as received] presented himself during the evening of 11 August at the Argentine Embassy in Ecuador, placing himself at the disposal of the court investigating the AMIA [Argentine-Israeli Mutual Association] bombing.

Cisneros emphasized that Motamer did not ask for shelter in Argentina. In Cisneros' opinion, the fact that Motamer has presented himself might prompt Judge Juan Jose Galeano to travel to Quito to again hear his testimony, as happened on 23 and 24 July in Caracas.

The Foreign Ministry secretary made these remarks to Radio 990.

Treaties on Human Rights Included in Constitution

PY1108220594 Buenos Aires LA NACION in Spanish 4 Aug 94 p 1, 14

[Text] The Constituent Assembly, in a tumultuous session that even included last minute changes in the constitutional text, yesterday incorporated nine international treaties dealing with human rights into the Constitution.

Thus, the San Jose De Costa Rica Pact—among others—and the right to reply, have been included in the Constitution.

Just as PJ [Justicialist Party], UCR [Radical Civic Union], and FG [Grand Front] convention delegates were voting to include these treaties in the Constitution, President Carlos Menem—from Government House—was saying that the right to reply "interferes with private property rights."

The president added that he had given instructions to PJ convention delegates about the problem.

Constituent Assembly Deputy Chairman Alberto Pierri interrupted the list of speakers when there were still 70 delegates registered to speak.

The climate at the convention was confusing and delegates were becoming irritated, particularly following the spat between ultra-Menem follower Evaristo Monti and some UCR convention delegates.

Within this climate the convention voted to include, in general terms, nine treaties into the Constitution.

Later, in a calmer environment, the convention used the electronic board to register the decisions of the delegates. The final tally was 207 votes for and 23 against.

Just minutes before the voting, the delegates included a phrase in the text. The phrase was a last-ditch attempt proposed by the Argentine Association of Newspaper Owners (ADEPA). The phrase adds that international treaties are incorporated "whenever they do not derogate or modify rights already established by this Constitution."

With this last minute change, delegates of the largest political parties' tried to soothe the concerns provoked by the incorporation of the treaties into the Constitution.

The new text made clear that these treaties "do not derogate any article included in the first part of the Constitution and must be taken as complementary of rights and guarantees already recognized."

Among other entities, ADEPA has been seeking a formula like this because it understands that including the right to reply, as contained in the San Jose de Costa Rica Pact, might provoke self-censorship of the media and hurt freedom of expression.

The phrase was debated at length by the Editing Commission. Firmly opposed to the clarification were, among others, Rodolfo Barra (PJ) and Elisa Carrio (UCR). Other delegates, like Miguel Angel Ortiz Pellegrini and Antonio Hernandez of the UCR, and Carlos Corach of the PJ, were able to convince their colleagues to include the phrase.

In any case, the right to reply will be included in the Constitution like in the nine treaties. The exact wording, to some extent, will be a matter for juridical interpretation.

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At the convention hall, delegates opposed to the Olivos Pact expressed their opposition, particularly because of the issue involving the right to reply. Among them were Jose Antonio Romero Feris (Autonomist Party) and Alberto Natale (Progressive Democrat).

Alberto Garcia Lema (PJ - Buenos Aires), representing the majority bloc, said: "It is the work of interpreters to conciliate contradicting constitutional norms of equal rank." He added: "Problems are more apparent than real."

PJ delegate Rodolfo Ponce de Leon (Rio Negro) said the "fabrications" published regarding the content of the San Jose de Costa Rica Pact resulted from the "ill-faith or improvisations of journalists." He said the prior censorship mentioned in the pact only controls access by minors to shows intended for adults.

The pact does not speak about qualifying entities, it merely uses the words "prior censorship." To give a film a rating is not the same as banning or making cuts before its debut.

'Nucleus' of Constitutional Reform Viewed

PY1108175694 Buenos Aires LA NACION in Spanish 3 Aug 94 p 8

["Text" of the so-called "nucleus" of the constitutional reform agreed upon by the Justicialist Party and the Radical Civic Union and approved by the Constituent Assembly on 1 August]

[Text] The Second Part, Second Section, Fourth Chapter of the Constitution is hereby reworded as follows:

About the Chief of Cabinet and Other Executive Branch Ministers.

Article 87 of the Constitution is replaced by the following text:

Article 87: The chief of the cabinet of minister and other minister secretaries, whose number and attributions will be established in a special law, will be in charge of national affairs and will sign and legalize the president's acts with his signature, without which they will not be valid.

The chief of the cabinet of ministers has a political responsibility with Congress and will:

1. Exercise the country's general administration.
2. Issue acts and regulations necessary to exercise the attributions established in this article and those delegated by the president of the Republic, with the consent of the minister secretary affected by the act or regulation.
3. Appoint administration employees, except those assigned to the president.
4. Exercise functions and attributions delegated by the president of the Republic, decide on matters presented to him by the executive branch with the cabinet's agreement, and intervene on his own in matters which due to their importance are deemed necessary and are within his jurisdiction.
5. Coordinate, prepare, and convene cabinet meetings and preside them when the president is absent.
6. Send to Congress the draft of the Ministries and National Budget Law, after the cabinet and the executive branch have discussed and approve it.
7. Order the collection of national revenues and implement the National Budget Law.
8. Sign decrees regulating laws, decrees postponing ordinary congressional sessions or convening special sessions, and presidential messages promoting legislative initiatives.
9. Attend congressional sessions, participating in debates but without voting.
10. Once Congress ordinary sessions begin, present, together with the other ministers, a detailed account of the state of the Nation describing the different departments' businesses.
11. Produce reports and explanations, oral or written, that either house of Congress may request from the executive branch.
12. Sign decrees to delegate congressional functions. These decrees will be controlled by the Permanent Congressional Commission.
13. Sign, with other ministers, necessary and urgent decrees and decrees that partially promulgate laws. The chief of the cabinet of ministers will personally submit these decrees to the Permanent Congressional Commission within 10 days of their promulgation.

The chief of the cabinet of ministers cannot simultaneously head another ministry.

The following article is incorporated after Article 87 of the Constitution:

Article 87 bis: The chief of the cabinet of ministers must report to Congress on government activities at least once a month—alternating his report to each house of Congress. This report will not affect what is established in Article 63. The chief of cabinet may be interpolated during the discussion of a censure vote by the vote of the absolute majority of members of either house and be removed by the vote of the absolute majority of members of both houses of Congress.

The items of Article 86 that are indicated below are replaced by the following:

Article 86:

Paragraph 1: He [the president] is the supreme head of state, the head of government, and politically responsible for the general administration of the country.

Paragraph 3: To be abrogated.

Paragraph 10: To appoint or remove plenipotentiary ambassadors and charges d'affaires with the concurrence of the Senate; to appoint or remove the cabinet chief, the other cabinet ministers, officials of the presidency of the nation, consuls, and other public officials whose appointment is not otherwise regulated by this Constitution.

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Paragraph 13: To oversee the chief cabinet's duties where they pertain to the collection and investment of government revenues pursuant to the laws or to the national budget.

Paragraph 20: To demand from the cabinet chief and the chiefs of all government agencies—and through them from all civil servants—the reports he deems necessary. These officials are obliged to comply with these demands.

Article 77 of the Constitution is replaced with the following:

Article 77: The president and vice president of the Republic will be in office for a four-year term and may be re-elected or succeed each other for only one consecutive term of office. Whenever they have been re-elected or have succeeded each other, they are ineligible to run for either the presidency or vice presidency until one term has elapsed.

Transitory provision:

The tenure of the incumbent president at the time this reform is enacted will be considered the first term of office.

Article 78 of the Constitution is replaced with the following:

Article 78: The tenure of the Argentine presidency is four years, and no cause for interruption may be claimed as a reason for completing it later on.

Article 76 of the Constitution is replaced with the following:

Article 76: To become president or vice president of the Republic, one must have been born in the territory of the Republic or, if born abroad, be an offspring of an Argentine national and must meet the other requirements applicable to a senator.

Article 80 of the Constitution is replaced by the following:

Article 80: The president and vice president of the Republic will take the oath of office administered by the Senate president before a Joint Session of Congress pledging to "discharge faithfully and patriotically the duties of president (or vice president) of the Republic and observe and enforce the Constitution of the Argentine Republic" while respecting their religious beliefs.

Article 36 of the Constitution is replaced with the following:

Article 36: A Congress comprising two chambers, the Senate and the Chamber of Deputies, is vested with the power of making laws.

Article 37 of the Constitution is replaced with the following:

Article 37: The Chamber of Deputies consists of representatives elected directly by the people from the provinces and the City of Buenos Aires—which to this effect are to be considered constituencies of a sole Republic—by a simple majority. Legislative apportionment is to be set at a ratio of one representative for each 33,000 inhabitants or fraction not under 16,500. After every census, Congress will reapportion representation according to the census results. It may increase but in no way decrease the aforementioned ratio.

Article 46 of the Constitution is replaced by the following:

Article 46: The Senate comprises three senators per province and three senators from the City of Buenos Aires elected jointly and directly by the people. Two seats are to be apportioned to the political party that polls the greatest number of votes and one to the runner-up. Each senator will have one vote.

Transitory provision:

The present members of the Senate will hold their posts until their term of office expires.

When one-third of the Senate is replenished in 1995—when the term of office of senators elected in 1986 expires—a third senator will be elected in every constituency. Senate seats will as far as possible be apportioned in the following way: Two seats to the political party or alliance that has the greatest number of members in the Senate and one seat to the political party or alliance that has the second greatest number of members in that chamber. When different political parties have an even number of seats, the balance will be tipped in favor of the party which obtained the largest number of votes in the previous provincial legislative election.

The election of senators to replace those whose terms end in 1998 and the election of senators to replace current senators in cases described in Article 54 will follow the same rules. The political party or political alliance with the largest number of members in the legislature at the time of the election of the senator will have its candidate elected, with the single limitation that the three senators representing a province cannot belong to a single party or electoral alliance.

The same rules will apply to the election of senators representing the city of Buenos Aires, who will be chosen by the electoral body in 1995 and by the city's legislature in 1998.

The election of all senators referred to in this clause will be carried out at least 60 days in advance and no more than 90 days before the date he must be installed.

Senator candidates will be proposed by political parties or electoral alliances in all cases. The National Electoral Court will certify the fulfillment of all legal and statutory requirements to become a candidate and will report it to the legislature.

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A national senator will be elected together with an alternate, who may be installed under Article 54.

The senators elected by the application of this transitory clause will stay in their post until 9 December 2001.

Article 48 of the Constitution is replaced as follows:

Article 48: the mandate of senators is six years. They may be reelected indefinitely. The Senate will be renewed by elections of one third of the electoral districts every two years.

Transitory clause:

Senators will be elected in the way established by Article 46 within the two months previous to 10 December 2001. Luck will decide, after all have met, who will leave in the first or second two year period.

Article 81 of the Constitution will be replaced as follows:

Article 81: The president and vice president of the Republic will be elected directly by the people in a first or a runoff election, as established in this Constitution. The national territory will conform a single district to this effect.

Article 82 of the Constitution is replaced as follows:

Article 82: The election will take place within two months of the end of the presidential term.

Article 83 of the Constitution is replaced as follows:

Article 83: The runoff election, if one is needed, will be carried out between the two most voted tickets within 30 days of the first round.

Article 84 of the Constitution is replaced as follows:

Article 84: When candidates of a ticket that obtained the most votes in the first turn receive more than 45 percent of the affirmative valid votes they will be sworn in as president and vice president of the Republic.

Article 85 of the Constitution is replaced as follows:

Article 85: When the candidates of the ticket that obtained the most votes in the first round received at least 40 percent of the affirmative valid votes and have more than 10 percentage points advantage compared to the total of affirmative valid votes received by the second most voted ticket, they will be sworn in as president and vice president of the Republic.

The following article is incorporated after Article 110 of the Constitution:

Article 10 bis: The city of Buenos Aires will be ruled by an autonomous government with its own powers regarding legislation and jurisdiction, and it chief of government will be elected directly by the people of the city.

A law will guarantee the interests of the state while the city of Buenos Aires remains the capital of the nation.

Within the framework of the contents of this article, Congress will convoke the inhabitants of the city of Buenos Aires so they can, through the representatives elected to this effect, draft the organizational statutes of their institutions.

Transitory clause:

Until the nature of the institutions that will emerge from the new autonomous administration of the city of Buenos Aires are defined, Congress will exclusively rule over the city as it has done prior the approval of this law.

The chief of government will be elected in 1995.

The law cited in the second and third paragraphs of this article must be approved within 270 days from the implementation of this Constitution.

Until the organizational statutes have been approved, the naming and removal of the judges of the city of Buenos Aires will be ruled by Articles 99 bis and 99 ter of this Constitution.

Paragraph 27 of Article 67 of the Constitution is substituted with the following text:

Exclusive legislation will be exercised [by Congress] over the entire territory of the capital of the nation and over places acquired through purchase or cession by any of the provinces for the establishment of fortresses, arsenals, warehouses, or other establishments of national use.

Transitory clause:

While the city of Buenos Aires remains the capital of the nation, Congress will exercise the legislative attributions that are provided for in accordance with Article 110 bis.

The following test will be included as Paragraph 23 of Article 86 of the Constitution:

Article 86:

Paragraph 23: In no case, under the penalty of absolute nullity and irreversibility, can the executive branch issue orders of a legislative nature.

Only when exceptional circumstances make it impossible to implement the ordinary procedures provided for in this Constitution for the sanctioning of laws, and unless they deal with penal, tax, election, and political party aspects, is the executive branch empowered to issue decrees due to necessity and urgency. These decrees will be decided upon in a general agreement with ministers, who must sign them with chief of the cabinet of ministers.

The chief of the cabinet of ministers will personally and within a period of 10 days submit the decree to the Permanent Bicameral Committee, which must respect the proportion of political representations of each chamber. This committee will submit its decision within 10 days to the plenum of each chamber for its immediate

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and swift consideration. A special law approved by an absolute majority of the members of each chamber will regulate the procedure and the scope of congressional intervention.

The following text will be included immediately after Article 67 of the Constitution:

Article 67 bis: The delegation of legislative powers to the executive branch is prohibited, with the exception of certain administrative measures and public emergencies that will have a scheduled period of time and within a framework of the delegation which Congress will establish.

The resulting expiration of the scheduled period provided for in the previous paragraph will not imply the revision of juridical relations that were born under the protection of the rules that followed the legislative delegation.

Transitory Clause:

The pre-existing legislative delegation that does not contain a scheduled period of time will expire within 5 years of the implementation of this Constitution, with the exception of that legislation ratified by Congress in a new law.

Article 71 of the Constitution is replaced with the following text:

Article 71: No bill that has been totally rejected by either of the two chambers may be debated again in that year's sessions. Neither chamber can totally reject a bill that originated in a chamber and that has been added to or amended by the revising chamber. If the bill was subject to additions or corrections by the revising chamber, then the result of the vote must be indicated in order to establish whether said additions or corrections were voted for by an absolute majority of those present or by a majority of two thirds of those present. The chamber that originated the bill may, by an absolute majority of those present, approve the bill with its additions and corrections or insist that it stand as originally submitted unless the additions and corrections were made by the revising chamber with a vote of two thirds of those present. In this latter case, the approved bill will be submitted to the executive branch with the additions and corrections made by the revising chamber, but the originating chamber can insist on the original text if a vote of two thirds of those present is achieved. The originating chamber cannot introduce new additions or corrections to those made by the revising chamber.

Article 70 of the Constitution is substituted with the following text:

Article 70: All approved bills that are not returned by the executive branch within 10 working days will be considered signed into law. The content of bills that have been partially rejected cannot be approved or stand on their own. Moreover, the content that has not been rejected can only be promulgated if it retains its autonomy and if its partial approval does not alter the spirit of the affinity of the bill sanctioned by Congress. In this case the procedure provided for the decrees of necessity and urgency will be applied.

Article 55 of the Constitution will be substituted with the following text:

Article 55: The two chambers will meet separately every year in ordinary sessions from 1 March to 30 November. The two chambers may have their session extended or be called into extraordinary sessions by the president of the Nation.

The following text will be included in the Constitution immediately after Article 69:

Article 69 bis: After approving a bill in general, each chamber can delegate to its committees the approval in detail of the bill with an absolute majority vote of the total of its members. Likewise, the chamber can annul the delegation and resume ordinary procedures.

The approval in committee will require an absolute majority vote of the total of its members. Once the bill has been approved in committee it will follow normal procedures.

The following text will be included immediately after Article 71 of the Constitution:

Article 71 bis: The determination of each chamber must be expressly demonstrated; in every case a tacit or implied [ficta] sanction is excluded.

Article 99: The Supreme Court will draft its internal rules and regulations and name its employees.

The following text will be included immediately after Article 99 of the Constitution:

Article 99 bis: The Magistrates Council, which will be ruled by a special law sanctioned by an absolute majority of the total of each chamber, is charged with selecting magistrates and administrating the judicial branch.

The Magistrates Council will be renewed periodically so as to maintain the balance among representatives of the political organizations as a result of popular elections; among judges at all levels; and among the lawyers that are registered at the federal registry. Other persons from the academic and scientific spheres will be included in the number and form that is indicated by law.

Its attributions will be:
1. To select, through a public call and competition, applicants for the lower courts.
2.To issue proposals listing the names of three candidates for magistrate in the lower courts.
3. To administrate the resources and implement the budget that the law assigns to the administration of the judicial branch.
4. To exercise disciplinary measures on the magistrates.

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5. To decide when to open procedure for the removal of a magistrate, and if necessary order their suspension and formulate the appropriate accusation.
6. To dictate rules related to the organization of the judicial branch, and those that are necessary to ensure the independence of judges and the efficient imparting of the services of justice.

Transitory clause:

Precisely one year after the implementation of this reform, lower court magistrates may be named through the procedure provided for in this Constitution. Until that time, the current system will be applied.

Paragraph 5 of Article 86 of the Constitution is substituted with the following text:

Article 86:

Paragraph 5: Magistrates of the Supreme Court will be named by the executive branch with the approval of the Senate by two thirds of the members present at a public session called for that purpose.

Magistrates of the lower federal courts will be selected on the basis of a three-candidate proposal by the Magistrates Council, with the approval of a public session of the Senate, based on the professionalism of the candidates.

Article 45 of the Constitution will be replaced with the following text:

Article 45: The Chamber of Deputies has the sole right to resort to the Senate to accuse the president, vice president, the chief of the cabinet of ministers, and the members of the Supreme Court in cases brought against them for failing to carry out their duties properly, for crimes committed during their tenure, and for common crimes once a majority of two thirds of the members that are present have declared that the case is viable.

The following text is to be included immediately after Article 99 bis of the Constitution:

Article 99 ter: Based on the contents of Article 45, lower court judges may be removed by a Magistrates Disciplinary Board that will include legislators, lawyers, and independent personalities.

Its decision will be unappealable and its sentence will be restricted to sacking the accused. The accused may, however, be accused, tried, and punished by ordinary courts.

The case will be filed and the suspended judge will be replaced if no decision has been handed down within 180 days from the decision to open a case.

The special law mentioned in the Article 99 bis will determine the integration and procedures of the Magistrates Disciplinary Board.

Transitory Clause:

Cases in the hands of the Chamber of Deputies at the time of the installing the Magistrates Disciplinary Board will be submitted to the latter on the basis of Paragraph 5 of Article 99 bis.

Cases in the hands of the Senate will remain there until their conclusion.

The following text will be included immediately after Article 67 bis of the Constitution:

Article 67 ter: External control of the national public sector in its patrimonial, economic, financial, and operational aspects will be an attribution of the legislative branch.

The evaluation and opinion of the legislative branch regarding the undertaking and the overall situation of the public administration will be based on the decisions of the General Auditor's Office of the nation.

This congressional organization provides technical assistance with functional autonomy. Its composition follows what is established by the law that regulates its creation and functioning and which must be approved by an absolute majority of the members of each chamber. The president of the organization will be named at the proposal of the opposition political party that has the largest number of members in Congress.

It will control, legalize, and audit all activities of the centralized public administration, no matter the type of organization, and conduct other functions as authorized by law. It will intervene in the approval or rejection of the collection and investment of public funds.

The following text will be included immediately after Article 68 of the Constitution:

Art 68 bis: The bills that modify the election process and organization of political parties must be approved by an absolute majority of the total of the members of the two chambers.

The following text will be included as a new paragraph in Article 67 of the Constitution:

Article 67:

New paragraph: Federal intervention in a province or the city of Buenos Aires may be ordered by Congress. It will approve or revoke any intervention decreed by the executive branch during its recess.

The following text will be included as Paragraph 24 of Article 86 of the Constitution:

Article 86:

Paragraph 24: Federal intervention of a province or the city of Buenos Aires during Congress' recess by the executive branch, which must convene it simultaneously for debate.

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Economic Indicators Show 'Slowdown'; No Recession

PY1208013894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1935 GMT 10 Aug 94

["Special" article for NA by Daniel Naszewski]

[Text] The economic indicators over the past few months seem to agree that we are facing a slowdown of the strong economic growth registered during the first three years of the convertibility plan. There are no signs of an overall recession, although the productive reconversion has created two sectors; one that is making money and other that is losing money. The latter sector believes a recession is in the offing.

The unemployment figures released some weeks ago highlight the sensation that the economy does not have the drive of previous years. The main figures on the progress of the economy indicate that overall productive activities are growing much more slowly than they did between March 1992 and the first 3 months of 1994, but they have not stopped growing. The figures that FIEL [Latin American Economic Research Foundation] and the UADE [Argentine Business University] are handling on the industrial sector reveal that during the first 6 months of 1994 production increased by 5.8 percent (FIEL) or 7.2 percent (UADE) when compared with the same period in 1993. There is an additional detail: The two institutions highlight that the industrial sector is at its highest production levels in the past 10 or 15 years.

It is at these high levels that the industrial sector is slowing down, and this is not illogical. It would be unreasonable for the high growth rates during the convertibility period to continue for much longer. Demand and the possibilities for continued growth make in difficult to maintain the notable growth of the past few years.

Official figures for all others sectors of the economy agree with the other data at the disposal of the private sector. The financial services sector and the commercial services sector, which show large inter-sectorial discrepancies, indicate high levels of activity. This coincides with the data on disaggregate [desagregado] investments.

If this is evaluated it can be seen that privatized service companies are making committed investments (especially in the communication sector), while the industrial sector is also receiving a high level of investments. Despite complaints, the agricultural sector is also reporting high sales of agricultural equipment, basically tractors—with a high proportion of imported equipment. The private construction sector is also showing an ever-increasing productive tendency, which can be verified by current cement sales.

Even so, all aforementioned sectors are showing some signs of slowing down after the "forced march" of the past few years. The FIEL polls on the tendency of demand show a reduced sales expectations. The Industrial Production Index revealed in July that a "plateau" has been reached at the record levels mentioned above.

Imports during July showed a small fall compared with the previous 6 months in which there had been an disquieting increase. These sectors report a slow cooling of activities.

With the exception of sectors affected by the fierce reconversion and modernization process in Argentina and which are experiencing a particular recession, the overall indicators do not allow us to seriously say that the economy is facing a phenomenon of that type. Experts generally agree on the same diagnosis: We have reached a plateau. Some report a slowdown of growth, adding that it was reasonable to expect it due to internal reasons (the exhaustion of post-stabilization reactivation) and to external reasons (increased interest rates abroad and a confirmed decrease of incoming capital).

A final detail closes this diagnosis: Income from VAT, a tax directly linked to economic activity, has also stagnated and has even fallen slightly after reaching a record in April 1994. Some experts believe there may be a resurgence of the "black economy" in certain sectors, while others directly link the phenomenon with the slowdown.

Finally, it can be seen that there is insufficient data to reach a definitive conclusion. A recession or a stoppage in growth have been predicted many times since March 1991, yet the economy continued to grow. FIEL emphasizes the 15 consecutive 3-month periods of industrial growth, which is in itself a record.

The conclusion is tentative: There is no recession—[Economy Minister Domingo] Cavallo would allow it—although it was predictable that the economy—using reactivation as its motor—would slowdown. Investments and exports must now act as the motor, and this will be a much slower process.

Encotesa, Private Competitors Discussed

94SM0420A Buenos Aires LA PRENSA in Spanish 3 Jul 94 p 2, Sect. 3

[Article by Monica Fernandez]

[Text] The government postal service moves 370 million pieces of mail a year, while some 200 private concessionaires distribute a similar amount throughout the country, even at rates that are up to four times higher. With the deregulation of May 1993 the competition intensified, bringing with it greater efficiency and better quality service, even within Encotesa.

The Argentine postal market, held captive for decades by a state monopoly, began to develop by leaps and bounds in 1970 when private firms joined the business, paying 0.33 pesos for every item that passed through their hands.

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But the real change did not begin until the deregulation of the activity in May 1993, when the state enterprise, the National Enterprise for Mail and Telegraph (Encotel), became Encotesa (a private-law corporation whose stock is owned entirely by the government). That date marked the end of the quasi-tax that had been levied on private mail carriers, which contributed $60 million a year to the coffers of the old postal service, and the number of concessionaires began to grow.

"Then the private firms started offering services that the post office did not provide. The bank clearing functions for businesses were one of the strong points, and as time went by and the highly efficient structures that had formed began to be utilized, new services were added," explains Roberto Lightowler Stahlberg, executive director of the chamber representing the main private firms involved in this business.

Price Is Not Everything

At present there are 200 concessionaires authorized by the National Commission for Mail and Telegraph, the agency that regulates this activity. Security, speed, and quality of service are their calling cards. All together they control 50 percent of the market that the Argentine postal service had not managed to keep, even with its more competitive rates.

Encotesa charges a flat rate of 0.75 pesos for a regular letter, regardless of its destination. The private firms go as high as two or three pesos, depending on the company, for certified mail service. "The rates are not comparable," argues Lightowler in defense of his associates. "Sending mail via a private firm has a high value-added, because of the breadth of the service."

Computerized and satellite-linked services, mailboxes accessible to the user, mobile branch offices, special business programs, claims and customer service offices, door-to-door pickup and delivery—these are some of the categories to which the head of the chamber is referring.

This opinion is shared by the executives of Andreani, one of the pioneer firms in this market, having worked in the postal sector for 10 years. "There are competitive aspects that distinguish us from the government postal service, and even from some of our private competitors," they argue at corporate headquarters. "The customer service center and the computer center containing data on all letters that pass through our branch offices are an advantage we have over the others."

The Argentine Coordinating Organization (OCA) provides a Utility Billing System (SFS), with meters installed for electricity, gas, water, and so on. Residential delivery of packages in standardized boxes and specialized distribution for large clients are among the services offered by this group, which is headquartered in Cordoba but extends all over the country. All of the services have computerized monitoring, which amounts to a kind of "routing sheet" for each letter.

Shared Market

Progress in communication, telephones, fax, and computers has lured customers away from the business. Encotesa moves 370 million pieces of mail and bills $450 million each year. The private firms together deliver as much mail as the government postal service.

Andreani, which accounts for 4 to 5 percent of the postal pie, handles between 800,000 and 1 million letters per month. This company's billing figures are a carefully guarded secret.

The group led by Oscar Andreani is also national in scope. It has a branch office in each provincial capital, plus more than 300 concessionaires, which in turn have nearly 2,000 mailboxes.

OCA, the leading private mail carrier since 1957, holds a market share of approximately 40 percent, although, for strategic reasons, its executives refuse to confirm this figure.

More than 5 million pieces pass through its distribution plant each month, fed by the 130 OCA branch offices and the more than 3,000 official agents distributed throughout the country.

"The owners of OCA realized from the very beginning that this business required a great deal of operational efficiency, and they focused all of their efforts on infrastructure and internal resources," comments Nelson Pozzoli, president of the company. In the last few years, it has seen a 200-percent increase in the number of letters it handles each year.

Changing Habits

Every Argentine receives an average of 18 letters a year, which places us at a considerable distance from the countries of the First World, and even from our neighbors in Latin America. In Germany the average is 600 pieces of mail, in the United States 500, in Italy 400, and in Brazil 60.

But specialists are optimistic about the future. "The lack of stability prevented the development of marketing techniques, COD [collect on delivery] sales, or mass mailings in Argentina, but as these methods take hold, the market will expand," says Haroldo Grisanti, president of the Argentine postal service. To confirm this assertion, he notes that the biggest postal customer in the United States is READERS DIGEST, with its direct sales.

"With electronic mail there may be fewer letters, but just as this method is replacing regular postal service, marketing by mail will take on more importance, as is happening in the United States," say Andreani officials. "In terms of volume, the market will grow, but there will be a trend toward commercial correspondence, which will be the key to the market."

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Catering to the Public

OCA's working philosophy was always that value-added should be given to the distribution of mail, dealing with clients' new needs, and doing battle with new communication systems that come on the market. In this way, new services have emerged: stamp dispensers on public streets and analysis of data bases for purposes of both marketing and the collection of taxes and income.

"This process began in the company long before that market got huge. Today there is practically no economic activity in which OCA does not provide some service at some level," says Pozzoli with pride.

"The public is never completely won over; we have to cater to them constantly so that they will continue associating this company with the image of efficiency and the serious attitude we take toward the market," say Andreani officials.

[Box, p 2]

History of Encotesa: Accounts Never Close

With over 5,000 branch offices throughout the country, Encotesa has an obligation to provide services even in areas where little or no profit can be earned. This, together with the superstructure mounted for its operations (26,000 employees), the 49-percent decrease in production, and the sharp decline in quality, led to an annual deficit of $170 million in the postal service.

For areas that cannot finance themselves because of the limited volume of mail, the government provides subsidies that allow service to continue, as established in Decree 2247.

"The postal service says it is not subsidized, and that the money is payment for services rendered to other state enterprises," comments Pozzoni of OCA. "If they want to compete, they have to assume business risks just the way everyone else does. First they have to invest and run their business efficiently."

"Encotesa has a budget deficit projected at 160 million pesos for this year, and Decree 1730 allows for that," add officials at the chamber representing private mail carriers. They consider this government "aid" to be "unfair competition."

"Because they are a government enterprise, they have direct access to credit, which is not so easy for us private companies to get, considering the magnitude of credit they are dealing with," contends Roberto Lightowler, referring to the $30 million loan extended to Encotesa by the Nation Bank.

Reorganization

With the help of consultants from Canada, Holland, and Brazil, the company managed to reduce its payroll by 18 percent in its reorganization effort, yielding annual savings of 85 million pesos, and boosted productivity by 24 percent.

"By the end of 1994, the postal service's accounts should be in balance, and by 1995 the profits should begin coming in," comments Haroldo Grisanti, Domingo Cavallo's man in charge of Encotesa.

His mission is to turn the postal service into a profitable enterprise that is attractive to private investors, a final step in the preparations for privatization. According to official calculations, 1995 will be the year when the change of hands takes place, and it will be limited to foreign investors. From the outside, however, it appears rather unlikely that this process will yield good results.

"If we believe that free competition should be universal and open to everyone, if there is a free market, everyone should be free to submit a bid. It should not be limited to one group of investors," claim Andreani officials.

Bolivia

COB Rally in La Paz Protests Government Policy

PY1108114694 La Paz Television Nacional Network in Spanish 0100 GMT 10 Aug 94

[Text] The Bolivian Labor Federation [COB] today staged a rally in La Paz.

This morning's rally in La Paz is part of the nationwide demonstrations that were approved during the latest COB nationwide meeting to protest—according to COB leaders—the fact that the government is making important decisions for the country without listening to the workers.

[Begin COB leader Carlos Camargo recording; Camargo identified by caption] We believe that by implementing a policy that does not put emphasis on the social aspect, the government is trampling on the rights of the workers and civilian society.

Therefore, this is a nationwide action with which the COB wants to point out the need for a change of the government policy, of a policy in which the social aspects previal over private and sectorial interests. The government has approved a series of laws, but they do not have the full approval of the civilian society and precisely because of this we do not believe these laws are viable in the country. [end recording]

The COB hopes the government will change its attitude. In the next few days, demonstrations of various COB sectors will continue throughout the country, and on 19 August there will be a nationwide strike.

Brazil

Franco Addresses Generals Over Salary Issue

PY1208011194 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 11 Aug 94

[Text] President Itamar Franco today received in Government House the generals who were recently promoted. He decorated General Rubens Bayma Denys and

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Lieutenant Brigadier Jorge Carvalho with the platinum medal for having served more than 50 years in the Armed Forces. In his speech to the generals, President Franco said he is aware of the problems of the Armed Forces:

[Begin Franco recording] You must rest assured that the president of the Republic, expressing the feelings of all the Brazilian people, understands the difficulties of the Armed Forces and he is going through great trouble to find the solutions to their problems. The state is the object of a great reconstruction effort with total dedication by its civilian and military servants. [end recording]

Despite the struggle to achieve a better standard of living for the whole Brazilian population, President Franco said that the government has found great resistance in powerful sectors that obtain benefits from injustices:

[Begin Franco recording] The selfishness of a privileged minority has prevented us from achieving social justice for our country. Corporatism pressures, the insensibility of the elites, the greed for profits on the part of the oligopolies, the distortions made by the our technical class, all this, gentlemen, among other factors, has contributed to increased social disparity in Brazil and consequently to create fear and insecurity in the large Brazilian cities. [end recording]

President Itamar Franco also recalled that soon he will sign the provisional measure that will begin the implementation of the equal salary plan among the three government branches. He explained why he could not make progress on the salary issue:

[Begin Franco recording] Limited by the rigid parameters established by the Finance Ministry, I made my utmost effort to combine the possibilities of Treasury with the Equal Salary Plan, which until the moment has not been implemented as required by the Constitution. [end recording]

The president concluded his speech by asking the generals to transmit to the troops his solidarity and good will to reduce the difficulties faced by civilians and military personnel.

Poll Indicates Cardoso Leads Lula By 4 Points

PY1108114894 Rio de Janeiro O GLOBO in Portuguese 10 Aug 94 p 3

[Text] Fernando Henrique Cardoso, presidential candidate for the Brazilian Social Democracy Party [PSDB], is already leading the race for the Presidency of the Republic. A poll conducted by the Ibope [Brazilian Public Opinion and Statistics Institute] countrywide, the results of which were released yesterday, indicate that for the first time the candidate for the PSDB-PFL [Liberal Front Party]-PTB [Brazilian Labor Party] coalition surpassed his main adversary Luiz Inacio Lula da Silva, of the PT [Workers Party], and now has an advantage of 4 percent. If the elections were held today, Cardoso would receive 32 percent of the votes and Lula 28 percent. Compared to the last poll, which was released on 26 July, Cardoso increased his lead by five points, from 27 percent to 32 percent. The PT candidate lost two points (dropped from 30 percent to 28 percent).

Comparing the two last Ibope polls, it can be realized that while support for Lula has been decreasing since the beginning of June, the number of voters supporting Cardoso has been increasing since the beginning of May. In June, when Lula had the highest level of support, 39 percent of the voters would vote for him, and 17 percent for Cardoso. In the last two months, Lula lost 11 points while Cardoso gained 15 points.

Leonel Brizola, Democratic Labor Party candidate, remains in third place, but has one point less than in the July poll: He is now supported by 5 percent of the voters. The great surprise is that Eneas Carneiro, candidate for the Party for the Redefinition of the National Order, who was in sixth place, now has the support of 3 percent of the voters, just like Orestes Quercia, candidate for the Brazilian Democratic Movement Party. After them comes Esperidiao Amin, of the Progressive Renewal Party, with 2 percent of the votes (he lost one point) and Flavio Rocha, of the Liberal Party, with 1 percent.

The poll also indicates that 10 percent of the voters said they would cast blank ballots or annul their votes, while 16 percent still do not know for whom they will vote. The Ibope interviewed 2,000 voters countrywide from 4 to 8 August.

[Rio de Janeiro O GLOBO in Portuguese on 10 August publishes on the same page another article on poll results that adds the following: "In the event that Cardoso and Lula dispute a runoff, Cardoso would be the one elected. When the Ibope asked the interviewees for whom they would vote if Lula and Cardoso disputed the runoff, 51 percent said they would vote for Cardoso and 37 percent would vote for Lula. The number of void votes totaled 5 percent and only 7 percent of the interviewees declared that they did not know for whom they would vote."]

Lula: Cardoso's Lead 'To Be Expected'

PY1108193894 Sao Paulo AGENCIA ESTADO in Portuguese 1522 GMT 10 Aug 94

[Excerpt] Rio de Janeiro, 10 Aug (AE)—Luiz Inacio Lula da Silva, Workers Party [PT] presidential candidate, has stated that the lead taken in the polls by Fernando Henrique Cardoso, the PSDB [Brazilian Social Democracy Party] presidential candidate, in the race for the succession to President Itamar Franco "was to be expected." Lula said: "We had already been expecting that to happen in July." According to the latest Ibope [Brazilian Public Opinion and Statistics Institute] poll, which was conducted from 4 to 8 August, Cardoso would receive 32 percent of the votes while Lula would receive 28 percent. Lula added: "It is a natural decline, as we are confronting not only one candidate, but the entire state

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apparatus that is subliminally working for him." Lula said he is sure that the PT is going to reverse this trend through the free radio and television electoral propaganda, and announced that "during the last stretch of the campaign" his party would concentrate its efforts on the southeastern region. According to the Ibope survey, Lula is maintaining the lead only in the northeastern region. Lula said: "We are going to focus on Rio de Janeiro, Sao Paulo, and Minas Gerais." [passage omitted]

New PT Vice Presidential Candidate Profiled

PY1108173094 Sao Paulo VEJA in Portuguese 3 Aug 94 pp 38-39

[Article by Paulo Moreira Leite: "The Economic Spokesman"]

[Text] It was easier for the Workers Party [PT] to elevate Sao Paulo Deputy Aloizio Mercadante than to oust Senator Jose Paulo Bisol. On the morning of 1 August, 18 PT leaders met to decide Bisol's fate. A vote was taken to decide the issue. Eleven of them voted in favor of Bisol's resignation, while four voted against. Three members abstained. Luiz Inacio Lula da Silva, who attended the meeting, delivered a speech favoring Bisol's resignation, but he abstained from voting. Because he has stayed away from the PT leadership since he started his presidential campaign, Lula took advantage of the opportunity to adopt the royal position of rising above internal disputes.

It took a month for the PT to cut off Bisol's head. Mercadante's elevation was decided in just one morning. At 0800 on 2 August Lula started to make phone calls from his residence in Sao Bernardo do Campos to announce that instead of the two candidates presented to him—Senator Eduardo Suplicy and former Sao Paulo Mayor Luiza Erundina—he would prefer a third option. Shortly before 1200 support for Mercadante was virtually unanimous, and he was receiving so much praise that one might wonder that he wasn't chosen by the PT as its vice presidential candidate from the outset of the campaign. Mercadante contends adamantly that he had not supported his own cause. There are reasons to believe him.

Mercadante had his life planned through 1998, when elections are to be held to choose a successor for the president to be elected this year. If Lula had won the Planalto seat, Mercadante was to have become his finance minister. If Lula lost, Mercadante would have had another term as deputy within his reach. IBOPE [Brazilian Public Opinion and Statistics Institute] conducted a survey to determine who were the most supported deputies in Sao Paulo State. Deputy Jose Sierra of the Brazilian Social Democracy Party [PSDB] was the winner by a comfortable margin. Yet in 1994, Serra is running for the Senate. At that time, Mercadante placed second. Up until last week, Mercadante was campaigning with the aim of obtaining 400,000 votes and thus reaching the Chamber of Deputies as the most supported deputy.

At all the lectures he gave during his three and half years in office, Mercadante requested that his listeners fill out forms giving their names and addresses so he could later mail them propaganda material. In doing this alone Mercadante obtained a list of 50,000 possible voters. He has another list of 100,000 sure voters.

At 40 years of age, with two children and remarried—his first wife died of cancer in 1981—Mercadante is the nephew of a university rector and the son of a hard-line general. As a student he was a member of leftist groups. His hair is growing thinner; he wears a Josef Stalin-style moustache; but some female admirers say he looks like actor Tom Cruise. Mercadante is such a close friend of Lula that the two of them vacationed together on a beach in Ubatuba. In 1990, Lula escorted him to factory gates in the ABC region [the Sao Paulo industrial belt] and asked the workers to vote for his friend, the economist. Mercadante thus went to Brasilia with 120,000 votes. Yet Mercadante was not chosen as Lula's running mate because of his record or his friendship with Lula.

The decisive factor in choosing Mercadante was the change that has occurred in the presidential race. The PT now has to deal with the thorny Real Plan issue, and it will be incumbent upon the vice presidential candidate to expose its weaknesses in the hope of blocking Fernando Henrique Cardoso's rise in the polls. It had become necessary for Lula to have an economic spokesman in his campaign. Mercadante will make frequent appearances in the free radio and tv propaganda time to back his allegations with figures. He will meet with businessmen, hoping naively to persuade them that they would do better business by voting for Lula instead of Cardoso. After choosing Mercadante, the PT stopped saying that the Real Plan is a nightmare. As a result of the serious blow it took from its adversary in the polls, the PT surrendered. The PT now says that the new currency is good, but that the plan is bad.

Mercadante said: "The people are entitled to have a strong currency. We are going to defend this right, because it embodies a social gain." He added: "Yet a strong currency alone is not enough. We must also have good salaries. Since Fernando Henrique Cardoso became finance minister the cost of basic food items has climbed from $80 to more than $100 per month. Meanwhile, the minimum salary has remained at $64 per month." Mercadante is aware that with a tightened grip on utility rates, with high interest rates, and with the money supply under control, the government can keep inflation at a very low rate until the first round of the elections—3 October—and even through the designated runoff date—15 November. Mercadante notes that everything could go wrong for the government from there on, but it would be too late then. Thus in light of the fact that it can no longer campaign against the real, all the PT can do now is to promote its slogan Everything for Social Gains.

In becoming Lula's running mate, Mercadante has assumed the role of spearheading a generation that

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emerged in the political arena in the 1970's, when President Ernesto Geisel began to promote political opening in the country. The students were the ones who campaigned for amnesty, rebuilt UNE [National Union of Students], and stopped taking part in metalworkers assemblies in the ABC region. Thus far the only representative of Mercadante's generation who has had access to high office has been a former classmate of his at Sao Paulo University, Zelia Anysio [nee Cardoso de Mello, economy minister under the Collor administration]. Yet her case was that of a former Communist who joined the National Reconstruction Party, became economy minister and confiscated the assets of the people, had an affair with [former Justice Minister] Bernardo Cabral, and left the government looking like the Little School of Professor Raimundo [a television comedy series hosted by Chico Anysio, Zelia Cardoso's husband]. For his part, despite having changed markedly, Mercadante has remained faithful to his roots. He represents what is known within the PT as a "social democrat," within the Liberal Front Party as "modern," and within the PSDB as "new."

The social democrat-modern-new creed followed by Mercadante advocates unions cooperating with companies, defends the reduction expected of taxes to promote higher consumption, and acknowledges the existence of state-owned companies that should be privatized. It was Mercadante who proposed the bill creating negotiating boards consisting of business, labor, and government representatives, which lowered interest rates for industrial sectors and caused car sales to skyrocket. Earlier he wore a beard, with hair like Che Guevara, while as a university student he frequented an umbrella organization called Refazendo [Rebuilding], which was a shelter for survivors of several armed organizations. There he became a friend of former UNE President Luis Travassos. In 1992 Travassos died a tragic death in a traffic accident in Rio de Janeiro involving a VW Beetle driven by Mercadante.

Mercadante was just a friend of the above organizations. He never joined any of them because he claims that he never wanted to follow any dogma, but rather prefers to follow his own thinking. It would be fairer to say, however, that he is driven by an irresistible desire to please all audiences and by a permanent craving for applause. Mercadante is a good speaker, and possesses a studied versatility. He is capable of opening a lecture with a leftist joke and, depending on the reaction he gets from the audience, could switch to hilarious jokes intended for conservative ears. He became deeply seduced by the Collor Plan, to the point of stating that had the PT won the presidency, it would not have done anything "very different." Mercadante did an effective job behind the scene in the CPI [Congressional Investigating Committee] on the Collor-P.C. Farias case, but damaged his credibility when in his haste to make headlines he gave wrong figures concerning the deposits and withdrawals made by secretary Ana Acioly. He served on the CPI that investigated the budget scandal from a good vantage point, because a year earlier he had already requested that those charges be investigated. Yet he had a pathetic role when he announced that the investigations had been blessed by the Army minister. He forgot to say what he would have done had the Army minister chosen to curse the investigations.

Mercadante managed to promote himself more than the average deputy, but he has a rather good record. His main possession is a house, which he bought through a mortgage loan from a private bank that charges 16 percent interest annually. He has never approved budget amendments, and he has not proposed one since early this year. He went on two trips abroad that were paid by Congress. He caught congressional bureaucrats by surprise when he submitted his travel account and returned his unused per diem in dollars. Mercadante last week joined a campaign that was experiencing a turnaround in voters' preferences. Lula had no better option than Mercadante in tackling the question of life and death represented by the rise in the polls of the candidate for the Real Plan.

Chile

Defense Minister Views Carabineros 'Crisis'

PY1108222594 Santiago EL MERCURIO in Spanish 31 Jul 94 pp D1, D10, D11

[Interview with Defense Minister Edmundo Perez Yoma by Raquel Correa in Santiago; date not given]

[Excerpts] [Correa] Which was the worst Easter weekend of your life?

(He stares through his round eyeglasses and smiles)

[Perez] The worst was not the most recent.

(He chuckles openly and contagiously)

I have endured worse Easter weekends than that. I spent last Easter in Puerto Montt—from Holy Thursday—and learned what was happening in Santiago through the newspapers and television.

[Correa] How did you assess the situation at that moment? Did you think it was serious? Did you think it would have a great repercussion?

[Perez] I was shaken by the news that [Carabineros Director] General Rodolfo Stange was mentioned in [Special Judge Milton] Juica' ruling and that he was in the hands of the military court for not discharging his military duties appropriately. [passage omitted]

[Correa] Did the government consider Juica's ruling serious enough...

[Perez] For us the situation has not changed at all. The government's stance has not changed since the first meeting with the president of the Republic to assess Juica's ruling, knowing full well the military court would

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not raise any charges against Stange. His approach was different because he said he could not resign while he had a court problem pending

[Correa] The Defense Ministry issued a communique, after the ruling was passed, saying that "an important obstacle had been removed." What did that mean?

[Perez] That the obstacle for Stange to resign had been removed.

[Correa] But that was not understood, it seemed quite cryptic.

[Perez] The message was for Gen. Stange. It was like telling him: You have said this obstacle prevented you from resigning, well, it has been removed. I admit it was cryptic but the message for the general was quite clear.

[Correa] What then?

[Perez] The general announced he would resume his post.

[Correa] Did you not try to convince him?

[Perez] I used the same argument in a more resigned tone of voice, (he laughs) but with the same conviction. I told him I thought he was mistaken but that the government respected his constitutional right. We believe this is not good for the country.

[Correa] Then came the chapter of the government taking revenge on Gen. Stange?

[Perez] This has been set up and I think it is grotesque. (He walks faster, his assistant gets impatient in the next room, the patrol cars' engines are running, but the minister takes a few minutes more) I flatly and absolutely deny this business about revenge. It has been set up and I think it is grotesque!

[Correa] There have been several insults...

[Perez] That is not so. The relationship with the Carabineros is basically normal and we are very happy.

[Correa] Why was Gen. Stange not authorized to travel to Peru for an institutional meeting?

[Perez] When he announced he was resuming his post, he asked for authorization to travel to Peru. I considered it and denied him the authorization for administrative and timing reasons.

[Correa] Minister, nobody believes that. What is the real reason, other than trying to show your authority?

[Perez] He had just fully resumed his post and I did not think it was convenient for him to travel immediately. There was a lot to be done: He had been absent for almost four and a half months.

[Correa] How long was he going to stay in Peru? A few days?

[Perez] I do not know. I truly believe the trip was inopportune. Debates on the budget were starting. The budget is drafted in July and August and he must define the basic needs of the Carabineros.

[Correa] It has been said the government has cut the Carabinero budget.

[Perez] That is absolutely false, as Gen. Stange himself stated in public. We have just started the process.

[Correa] Does Gen. Stange attend all the meetings where the budget is discussed?

[Perez] No, but he must be in the country to determine the priorities, especially after four and a half months absence... I was surprised he planned to travel abroad, especially just after he had overcome a problem with the government.

[Correa] But it was an institutional meeting and he was supposed to hand over his command.

[Perez] I did not feel it was necessary. He could perfectly delegate that task.

[Correa] Did he need government permission to leave the country?

[Perez] Of course. He was going on a business trip with an expense account and accompanied by quite a large delegation.

[Correa] What is happening with the Carabinero budget?

[Perez] The Carabineros will have an adequate, reasonable budget that will allow it to fulfill its important duty of safeguarding the citizenry.

[Correa] What about the extra resources former President Aylwin's government granted the Carabineros?

[Perez] That ended this year. Any initiative must be analyzed thoroughly.

[Correa] Why were Carabineros helicopter pilots not allowed to attend a training course in Germany?

[Perez] The permit was denied within the framework of a global policy: I do not think it is appropriate for Carabineros officers to travel abroad at the expense of the suppliers. The day I need advice on purchasing equipment I want the opinion of someone completely impartial. That is a sound administration policy.

[Correa] What now? Will all Stange's requests be turned down?

[Perez] By no means. Gen. Stange is not being punished.

[Correa] In sum, if he seeks permission for another business trip...

[Perez] All permits the ministry deems appropriate will be granted. Despite everything, I still have a good relationship with Gen. Stange.

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[Correa] A relationship typical of "gentlemen"?

[Perez] Cordial, calm, and very frank...

[Correa] Would you be happy if he retired?

[Perez] At this point it makes no difference. Happy is not the word... but I would have considered it satisfactory to remove that obstacle.

[Correa] Will you continue harassing him if he does not retire?

[Perez] He has not been harassed. I have accepted the fact and hope our relationship will be as normal as possible. I am willing to work with him until 1997 or March 1998, that is the deadline.

[Correa] Do you think Stange is supported by a significant number of Bolivian politicians.

[Perez] I would not like to think so.

[Correa] Do you not think so?

[Perez] I fear that may be the case. But this case is definitely closed as far as the government is concerned. He is back, he is staying, and we have to coexist with him. We will do so properly. The country may rest assured. The government's relationship with the Carabineros are at their best level.

[Correa] Who would you like to replace Stange?

[Perez] Oh, no. (He laughs and prepares to make his delayed departure) That is not up to me to say. (The minister rushes away to his appointment at the Air Force headquarters—escorted by Carabineros officers...)

Colombia

President, Officials Meet Iraqi State Minister

JN1108113794 Baghdad INA in English 0900 GMT 11 Aug 94

[Text] Bogota, Aug 11 (INA)—The Colombian president received on Wednesday [10 August] Iraq's Minister of State Samal Majid Faraj who arrived here on a several days visit to Bogota.

Bilateral friendship and cooperation relations were discussed in light of both countries' interests and means to shore them up in various scopes.

Meanwhile, the Iraqi minister met president of the Colombian Parliament and briefed him on the dire consequences caused by the unjust sanctions imposed on the people of Iraq since 1990.

The Colombian parliamentarian affirmed his government's willingness to strengthen links with Iraq. He slammed continuity of the sanctions which had claimed so far thousands of innocents.

New Justice Minister Martinez Defines Goals

PA1108182694 Santa Fe de Bogota EL ESPECTADOR in Spanish 7 Aug 94 p 11A

[Report by Julia Navarrete and Jorge Cardona]

[Text] Nestor Humberto Martinez Neira, a 38-year-old attorney and economist whose best letter of introduction is his character, has been appointed justice minister. He calls for justice that has more consideration for citizens and is present where there is no law; justice that reestablishes respect for the rights of others and promotes an atmosphere of mediation in conflicts. He calls for a country where sentences are proportionate to the seriousness of the offense and where codes are not drafted according to abstract goals.

Martinez Neira has served as bank superintendent, vice president of the Chamber of Commerce, a member of the Board of Directors of the Bank of the Republic, and Inter-American Development Bank legal adviser in Washington. This is the professional background of Nestor Humberto Martinez Neira, a thoughtful citizen who no longer has time for his hobbies or partying. He has the biggest challenge of the Samper era before him: returning prestige to the justice system.

During the administration that is concluding, and by virtue of the 1991 Constitution, the judicial branch began to build its autonomy, judges to achieve economic and career dignity, and justice to be taken into account in development plans. A new history begins now: "The administration of justice will no longer be the country's Cinderella but the Sleeping Beauty that the authorities will awaken."

That is the style of Martinez Neira, who believes it is necessary to design a criminal policy for the country, to achieve a statutory law that will reconcile the multiple challenges of the judicial branch, to establish a culture of dialogue, to achieve resocialization and tolerance, and to consolidate basic values in "a nation that urgently needs reconciliation opportunities to neutralize the damage done by private justice."

Consulted on the basic aspects of administration of justice for the next four years, the new minister stated: "We must do great sociological work to understand the people's demands for equity," thus "directing state action not at utopian solutions but at current problems, crime prevention, and strengthening the Prosecutor General's Office."

Criminal Dosimetry

It is no secret to anyone that Colombian justice is in an uncomfortable situation: The eyes of the world are upon it. To address the international community's uneasiness, Martinez Neira has answers for the most sensitive issues: "We will promote a proposal to toughen punishment and rationalize benefits. We want punishments to be commensurate with the seriousness of the crime."

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Although the success of the surrender policy "depends to a large degree on the decisive cooperation of the Prosecutor General's Office," the prevalent idea in the new government is that "this mechanism should be extended to all crimes in the country." More than 2,600 cases in which sentencing was advanced are currently being reviewed. "We must articulate a proposal that will guarantee the rule of law."

As for legal relations with the United States, "they are currently normalized in the area of alternate responsibilities." Specifically, the State Department and the Clinton Administration believe and will support judicial cooperation. Suffice it to say that: "Over the next two years, $10 million in financing has been guaranteed through USAID."

Money laundering is another aspect of the same situation, and the new minister knows that the fight in this area is based on specific legislation and judicial integration: "We are going to propose a legal mechanism to make money laundering a crime, but the international community must support it. After all, this is about fighting a common enemy."

As bank superintendent, Martinez Neira worked on the recovery of the financial sector, an experience that qualifies him to warn: "Given that the capital flow takes place between several countries, any effort to dismantle money laundering networks will be unless there is coordination on international banking regulations." It will be up to international law.

Education for Peace

A few days ago, a child armed with a razor killed another child, and everyone knows that many youngsters are armed. Delinquency is a result of broken homes, and it requires immediate social therapy: "an opportunity for education, dialogue, recreation, and the state's pledge to eradicate poverty," because poverty begets violence.

"This conflict was growing worse in the United States, and a system of community programs was created, something that could also work in Colombia." We need an interdisciplinary campaign to bring parents closer to their children and "to resolve problems through education instead of suppression so children can become mediators of their own problems."

In short, Nestor Humberto Martinez Neira, whose parents were from Santander and Tolima, is married to a dentist and is the father of four children. He enjoys Colombian music, the works of Jose A. Morales, and traditional Colombian food. He has no time to think about whether he would have liked the Finance or Development Ministries better, because his fate is already linked to one of Colombia's hopes: no more impunity and more justice.

It is not the time of his academic achievements in Mathematics and Social Sciences; nor that of his stumbles in Physical Education; much less his years as a journalist at HJCK [FM radio station in Santa Fe de Bogota] with his radio program "Letter of Colombia," which earned him the Barcelona Airwaves award. It is the moment of the people, the option of trust, "the choice to integrate justice into the country's economic and social development."

After all, even though he did not expect his appointment, it did not surprise him, either. It is the natural course for a professional who no longer participates in any sports because he believes that, at his age, he runs the risk of ending up on crutches. Nevertheless, he had an athlete's discipline to tour 14 countries in the past two years and to draft a model for judicial policy based on reliable information and economic legal procedures [economia procesal]; in other words, "a judicial system that is not based on academic or labor utopia, but on meeting the demands of a society that simply awaits the eventual defeat of crime."

Prosecutor General Defends Cartel Surrender Policy

PA1108192894 Santa Fe de Bogota EL TIEMPO in Spanish 3 Aug 94 pp 1a, 8a

[Text] Barranquilla—Prosecutor General Gustavo de Greiff said the Cali Cartel surrender failed because the government would not guarantee either the safety of those surrendering or that they would not be transferred between prisons except for a violation of disciplinary regulations or for subsequent crimes.

"I hope that plan can be revived for the good of the country. If a criminal organization surrenders and receives some benefit in return, under no circumstances does that represent a pardon or amnesty. A penalty is paid for the crimes committed and, at the same time, there is a possibility of bringing peace to the nation and reintegrating people into society who have committed crimes," de Greiff said.

De Greiff, who defended his actions and the role of the Prosecutor General's Office, yesterday participated in the inauguration of the prosecutor general's local headquarters in Baranquilla, where 76 offices with the same number of secretariats will operate.

The local headquarters will be located downtown in front of the Rodrigo Lara Bonilla Justice Palace in a building bought from the Colpatria Group for 396 million pesos. De Greiff also delivered computer equipment donated by the British Government.

On the issue of stiffer penalties, De Greiff said he did not believe that simply increasing penalties would provide a solution to crimes such as drug trafficking, citing the United States as an example. He explained that the penalties are stiffer yet crime is more rampant.

"The important thing is not whether the penalties are stiff or lax but whether you have someone to enforce the penalties. That is where the state has to be effective," de Greiff said.

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In de Greiff's judgment, without putting aside a study on the benefits of stiffer penalties, the essential goals of the Prosecutor General's Office are to open the doors to all criminals who want to surrender to justice; to continue to persecute criminals who do not want to surrender; and to improve investigative systems so that if a person is arrested, proof may be found against him if he is guilty or his innocence can be established quickly if he is not.

The prosecutor general believes today there is less impunity in Colombia, even though this institution is still "a two-year-old baby." Besides, "it is not true that the Attorney General's Office has dealt only with drug trafficking crimes because there are many more prosecutor offices to deal with ordinary crimes," de Greiff said.

De Greiff will be replaced by Alfonso Valdivieso Sarmiento, a 45-year-old former education minister from Santander who was chosen last week by the Supreme Court of Justice from a list of candidates that included public prosecutor Gustavo Arrieta and law professor Juan Carlos Esguerra.

Concerning the parameters set for the surrender of the Valle Cartel, Valdivieso told EL TIEMPO on Sunday that "he is waiting for the policy of the (new) government" regarding that issue.

"If the surrender policy is to be reviewed, it should be reviewed under equal terms for everyone who has committed a crime. Treatment should not be better or worse for people who have committed the same crime. If discussions must be continued, they will be continued. I cannot say I am not going to do this, because it is among the options available to each citizen and it falls within the jurisdiction of the Prosecutor General's Office," said Valdivieso, who takes over as prosecutor general next week.

'No Information' on Politician-Cartel Links

PA1108161194 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 10 Aug 94

[From the "Midday Television Newscast"]

[Text] Prosecutor General Gustavo de Greiff said in Bucaramanga today that the Prosecutor General's Office has no information on alleged links between Santander political leaders and the so-called Cali Cartel.

[Begin De Greiff recording] The Prosecutor General's Office, for good or for bad, has received no document from the public force mentioning those people. Third [as heard], documents and other items seized during raids are being investigated and a legal ruling will be issued. Thus, I repeat, we have no document mentioning those people. [end recording]

Government Confirms Velasquez as Search Bloc Chief

PA1208033294 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 11 Aug 94

[From the "Seven O'Clock Newscast"]

[Text] Since the evidence available to the superiors of Colonel Carlos Alfonso Velasquez leads one to conclude that this has all been a trap, the government today confirmed Velasquez as commander of the Search Bloc. Defense Minister Jose Fernando Botero made some statements after a meeting with the High Military Command.

Despite the scandal involving the head of the Search Bloc that is pursuing the Cali Cartel, the government decided to support and confirm him in one of the most important posts in the Armed Forces.

[Begin Botero recording] There is very clear and convincing proof that he organized very effective operations, considering the intelligence situation and results of operations against the Cali Cartel's activities. [end recording]

The government's decision was based on the attitude of the officer during a discussion of his situation when he handed over the pictures that the Cali Cartel had tried to use to blackmail him. The government also considered his exemplary record within the institution. Col. Velasquez has always received honors in positions he has held, including that of commander of the Cali Search Bloc.

[Begin Botero recording] Col. Velasquez has a clean and clear record and has provided very important services to the Armed Forces. [end recording]

The "Seven O'Clock Newscast" has just learned that three prominent Colombians tried through influence peddling to have Col. Velasquez transferred to another position.

Valesquez Comments on Scandal

PA1208024994 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 11 Aug 94

[From the "Seven O'Clock Newscast"]

[Text] The atmosphere in the nation remains tense as strange reports, with or without the direct interest of the Cali Cartel, continue to link all kinds of people to drug trafficking.

Colonel Carlos Alfonso Velasquez, commander of the Cali Search Bloc, fell into a love trap set by a woman who seduced him and later allowed photos and a video to be shot while they were in a hotel room. All of this was to blackmail the officer and put him in the clutches of the drug mafia. Col. Velasquez, the commander involved, today admitted his guilt when speaking to reporters.

[Begin recording] [Velasquez] I was tricked into going to an elegant and nice bar in southern Cali under the pretext that I was going to be given some leads. As this was a couples bar, where men and women go at night, where the lights are low, it was out of place to talk business there. By mutual agreement we decided to [words indistinct] to play the role of lovers. And then human weakness just won me over.

[Unidentified reporter] [Words indistinct]

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[Velasquez] No, only one threat was made after an attempt to blackmail me for money when I was invited to meet with them. That invitation was made by the gentleman you just asked me about. That invitation was made by the gentleman through my sister who lives here in Santa Fe de Bogota.

[Reporter] [Words indistinct]

[Velasquez] To discredit me? It is to discredit the Armed Forces. I am only an individual, but I am an Army colonel.

[Reporter] How is [words indistinct] your family life, your wife, your children? You mentioned a seven-year-old child.

[Velasquez] I am concerned given the impact that the television and newspaper reports may have on them. But at the same time I am composed and have even more love for her. Since the beginning, when I told her about this about two months ago—in spite of how difficult this is for a woman, how hard this is for a woman—she understood.

[Reporter] She gave you her support?

[Velasquez] She gave me her support. This is not a matter of getting angry. From the outset one knows that one is fighting a mafia that has been organized for 20 years. One must be on the... [pauses] one must know what the mafia is capable of. [end recording]

According to the authorities' first analysis, an important goal of the Cali Cartel to get the Search Bloc commander dimissed, because ever since Col. Velasquez was appointed to that position, the Search Bloc has been getting dangerously close to the drug trafficking chiefs.

Ecuador

Former Deputies Form 'Independent Movement'

94SM0418B Quito EL COMERCIO in Spanish 19 Jun 94 p 3

[Text] The document providing a constitution for the National Independent Movement was signed in Guaranda last weekend [11-12 June].

The group will be made up of expelled or disaffiliated deputies from the various political parties, led by Deputy Fernando Larrea Martinez.

The legislators, who are separated from the political parties that supported their candidacies two years ago, constitute a large but diffuse bloc that at one point reached 20 members.

Of this group, 18 provincial deputies will leave office on 9 August and only two, both national deputies, will remain as independents, that is, with no affiliation to any political party.

They are Fernando Larrea (disaffiliated from the Ecuadoran Roldosist Party) and Napoleon Ycaza (disaffiliated from the Republican Unity Party).

The National Independent Movement proposes to bring together citizens who disagree with the organization and operations of the legally constituted political parties.

Their immediate goal is to bring about a constitutional reform that would permit independents to be candidates for elective office, without requiring them to be affiliated with any political party.

The outlook for the movement's participation in the 1996 general election will depend on the introduction of a constitutional reform that would permit the National Independent Movement to present candidates from its own lists.

In that sense, the National Independent Movement supports the Popular Consultation proposed by the president of the Republic, to grant to independent citizens the right to elect and to be elected.

This movement is a response to the party bosses, functionaries, and influence peddlers ensconced in the upper echelons of the political parties, which they have operated as though they were their own businesses, Fernando Larrea said.

He added that the people have lost confidence in political parties because of the bad behavior of their leaders, "but the people cannot remain without a voice and without an opportunity to take part in the big decisions."

Deputy Juan Carlos Camacho, coordinator for the independents in Bolivar Province, said that in the last election the people cast a vote of no confidence and rejected the political parties with their void and blank ballots which reached an impressive percentage.

The meeting at Guaranda was attended by, among others, Deputies Fernando Larrea, Carlos Anazco, Mario Carrillo, Guillermo Davalos, Juan Montesdeoca, Luis Carrillo, and Juan Carlos Camacho.

CONAIE Leader Views Agrarian Reform, Politics

94SM0418A Quito EL COMERCIO in Spanish 26 Jun 94 p 2

[Interview with Luis Macas, president of the Confederation of Indian Nationalities of Ecuador; place and date not given]

[Text] To judge by the most recent televised images of the official press, Luis Macas, president of the Confederation of Indian Nationalities of Ecuador, CONAIE, is intemperate. And his only position is for repeal of the agrarian reform law.

Many have called him an extremist. He even seems to be a subversive, in the propaganda referred to above.

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What is the reason for this intemperance? What is his position? EL COMERCIO talked at length with Macas. He told us in detail about his views on the Agrarian Reform Law, the state, politics, the church, and multiple nationality.

The reader will decide whether the term extremist is appropriate.

[EL COMERCIO] Why do you always resort to the church to negotiate?

[Macas] Not always. It happened in 1990 and it is happening now. It is not just a matter of negotiating. In the final analysis, it is a guarantee, insurance for the Indian people. Although it is contradictory because, historically, we have been under the church's subjection. But then we look at the situation, the mobilization decree is in effect, and many of us are in danger. This is why we asked the church to mediate.

[EL COMERCIO] Why do you have such a closed attitude regarding Agrarian Reform?

[Macas] When the president of the Republic sent the law to Congress on an urgent basis, there was open partiality in Congress, especially by the Social Christian Party (PSC), and the executive in trying to benefit a very small group, the Chamber of the First Zone.

This obviously led to open discrimination against the peasant-indigenous sector. And Congress does not deal equitably with all of the programs that are presented to it. We submitted our proposed law over a year ago, but it has not been looked at nor dealt with. It was discriminated against, but I do not know if it was because it came from the indigenous and peasant sector. In the end, it was not handled in a serious, responsible way.

[EL COMERCIO] It was said that your group did not attend the debates in Congress nor the discussions of the law.

[Macas] Well, I do not know to which debates you are referring, because from the moment that the executive sent the proposed law to Congress, we were at all the sessions. Our position was not one of opposition for the sake of opposition. It was not a closed position.

Our interest was not even to recover points from our proposal, but that there be an opportunity to explain what our interest was. We wanted to open a debate, not to delay proceedings, but to make a truly national law, one that protects everyone. We did not want it to be imposed dictatorially, from on high, by the rightist parties, as happened.

[EL COMERCIO] Did you ever speak directly with the Social Christian deputies?

[Macas] We delivered our proposed law to the various political parties. We made our presentations to the parties when we delivered our proposal.

[EL COMERCIO] Let us talk about specifics. For example, how does the new law affect you with regard to water?

[Macas] There is a rather subtle point in the law that benefits landowners. The law seems to say that water will belong to and continue to be managed by the state. I believe that, in the end, it will not be that way because the law establishes that water will be allocated at meetings. For those of us who understand law, this means transference.

It is also stipulated that the water becomes part of the land area.

And it is confirmed that the water will pass into private hands because the law says "it will be transferred by public deed." What is it that is transferred by public deed? Property. The law states, and says so with absolute clarity, that the water will be registered with INERHI [Ecuadoran Institute for Water Resources]. That is, that institution will, in the end, serve as a registry for the ownership of the water. We are not in favor of the INERHI or the IERAC [Ecuadoran Institute of Agrarian Reform and Settlement] bureaucracies. We have always held to our position that the state must modernize and become more flexible and efficient in all its institutions. We confirmed this when we spoke about INERHI. But the water must also be regulated by the state, because it is a scarce vital resource in agriculture. It cannot be turned over to private individuals, to be distributed if the landowner feels like it. The peasants who live close by would die of thirst right at the fountain.

[EL COMERCIO] What would happen to land ownership?

[Macas] They say that it will disappear from agrarian reform with the new law. But in reality, this has not happened in 30 years, nothing was done. And it is not only I who say so, but all of the indigenous comrades, the research centers, even the government centers. Somehow, the restructuring of ownership must take place. The law does not do this.

[EL COMERCIO] But how?

[Macas] You just have to go into the countryside so see that our lands are at a certain altitude, or higher. The land that is irrigated or is suitable for farming belongs to the landowners. We say that there must be a fairer way to distribute the land. It is not possible that the distribution of plots of land to the Indians at the time of the agrarian reform should be considered a benefit to the communities. When we talk about equity, we do not mean that Ecuador should be parceled out, but our way of life and our culture should be taken into account.

[EL COMERCIO] You say that the new law is going to break down the structure of the communities in exchange for the free marketing of land. But it is a fact that there have been many land transfers by the communities themselves, without the necessary legal conditions.

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[Macas] That is true. I agree that there has been free transfer of land. But it is not that we are able to get rid of the land so quickly and easily. And we believe that there should be some protection from those people who are going to leave the land and wind up on street corners in the cities.

[EL COMERCIO] Why did you not negotiate when the proposed law was being considered?

[Macas] During consideration of the law by the executive and later by the Social Christian Party, we insisted that this be debated. Matters of such vital and national importance cannot be dealt with in such a hurry, between midnight and the cock's crow. Even when the law was passed, we insisted before the Economic and the Agrarian Commissions of Congress that it be agreed upon by everyone. They paid no attention to us.

[EL COMERCIO] What does CONAIE propose for the development of agriculture?

[Macas] I believe that joint courses of action should be drawn up by the state, agricultural business, and small and medium-size farmers to reach an agreement. And we propose that the indigenous people join the development process when we are given broad latitude to manage our own affairs, and I believe that this is rather easy. The government would save human and technical resources. We are proposing projects that combine our millennial knowledge with modern technology.

[EL COMERCIO] Have you postponed your claims for multiple nationality?

[Macas] Our claims for multiple nationality have not been put off. This is why we are fighting for agrarian reform, so that our way of life will be taken into account: in the way we work the land, in natural resources. Which means that we recognize the wisdom of both peoples, without discrimination.

[EL COMERCIO] But do you think that if you have not been able to win on agrarian reform, that you will be able to obtain an amendment to the Constitution that would change the very conception of the country?

[Macas] This is not a question of Indians, it is a question of Ecuadorans and of Latin Americans. For example, the position of indigenous people on multiple nationality has been useful in gaining recognition. Before, it was said that in Latin America there were no mestizos. We only talked about whites or Indians. Now, it is recognized that diversity exists, which is more accurate with regard to our identity.

To the extent that both peoples talk to one another, we will be better able to understand each other and respect one another more.

[EL COMERCIO] You have been much criticized for your bad manners. You even failed to show up the other day for an appointment with interviewers for a television program.

[Macas] It is true that we are rather casual. I do not say that to excuse myself. About that specific appointment that I made, we were at the Bishops' Conference. We went to take refuge there because the mobilization decree was being issued. That is why I could not be at the appointment, I could not call, which was a mistake because the offices were closed.

[Box, p 2]

Macas and Politics

Luis Macas, president of the Confederation of Indian Nationalities of Ecuador (CONAIE), explains his views on politics.

[EL COMERCIO] What is your political position? What political party does your group support?

[Macas] You are witness to the fact that we do not support anyone. But we feel proud this time because, although they say that the PSC has won, we are the winners. We have 56 percent of the vote, counting void and blank ballots, and abstentions, an outcome that we worked for. This means that the Ecuadoran people disagree with the entire political class.

[EL COMERCIO] What is CONAIE's political future?

[Macas] We are not going to wage civil war, nor will we go to one extreme or the other. We see ourselves in a humanist, progressive struggle. We are not interested in supporting any party. Unfortunately, the parties have become very mythologized in our country. And there cannot be more than 20 percent of the people who are members. We believe that politics should be carried out through representation by sectors. Among ourselves, we Indians understand one another, and this is how we conceive of handling power. It is a cleaner way of conducting politics. This is how we see multiple nationality. Although we are not against parties, this mistaken use of power should be the subject of mediation.

[EL COMERCIO] Do you disown the state?

[Macas] The state has disowned us, it has isolated us and ignored us. What we want is a state that protects everyone.

[EL COMERCIO] Do you think you will become a national leader?

[Macas] I do not believe so. Just as there are people who support us and fight beside us, there are also those who do not love us. Therefore, why should I seek rejection? Furthermore, I do not believe that there is any consensus among the indigenous people of the country to take part in electoral contests, unless there is a liberalization.

[EL COMERCIO] Are you a racist?

[Macas] I hope not.

[EL COMERCIO] But do you not look down on light skinned mestizos?

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[Macas] On the contrary, light skinned mestizos look down on us. What we want is a country where we can live side by side.

Paraguay

U.S. Reservists' Entry Authorized for 'Community Action'

PY1108223694 Asuncion ABC COLOR in Spanish 11 Aug 94 p 4

[Text] Colonel DEM [General Staff School Graduate] Carlos Medina Monjagata, the Military Forces Command Communications director, announced yesterday that the entry of "U.S. reserve troops" into our country has been authorized. He reported that the delegation is coming with the goal of jointly participating with Paraguayan military personnel in community action that will be carried out as of 16 August in the Santa Rosa de Lima area in San Pedro Department.

The U.S. group will be made up of 30 people, including doctors, dentists, veterinarians, and nurses. The activities will be coordinated by Colonel DEM Rolando Caceres from the Armed Forces Health Service Directorate.

Medina Monjagata also reported that President Juan Carlos Wasmosy has ordered Army Commander Division General Lino Oviedo to begin the construction of roads in the Cerro Leon area. Medina Monjagata did not elaborate any further on this point.

President, Army Chief on Mercosur Armed Forces

PY1108115194 Asuncion ABC COLOR in Spanish 7 Aug 94 p 20

[Text] Army Commander in Chief Division General Lino Cesar Oviedo has indicated that the Paraguayan Armed Forces are in a position to integrate at any time with the Armed Forces of the Mercosur [Common Market of the South] member countries. This was a reference to a suggestion regarding the possibility of obtaining the transfer of technology and information between the member countries of the Treaty of Asuncion that was made by President Juan Carlos Wasmosy during the Mercosur presidential summit.

"Without fear of being mistaken, I can say that our Armed Forces are among the five best forces in Latin America in their organization and training, and in their modest equipment," said Oviedo, when he expressed his belief that the Paraguayan military can also integrate with the military of the Mercosur countries.

Asked whether there is already a joint work project to integrate the Armed Forces of the Mercosur countries, Oviedo indicated that on 5 August Wasmosy began talks regarding the creation of work teams made up of Mercosur military personnel.

Oviedo insisted that the Paraguayan military make a common cause with the spirit of integration "by becoming integrated, at least in the training and equipment sectors of the Mercosur armies, in order to rationalize and optimize their operational costs."

Wasmosy was also asked about his proposal of integrating the Armed Forces of the Mercosur countries. In this respect, he made it clear that at no time had he spoken about integrating the joint Armed Forces of the Mercosur during the presidential summit.

"There are some armies that are better prepared than others, not because of the lack of capability of some and the capability of others, but due to differences in technical assistance, technology, and training. As I have sought integration for the educational sector, I have also spoken about integration for the Armed Forces," he explained.

Peru

State of Emergency in Huanuco Extended

PY1108220194 Lima Radio Programas del Peru Network in Spanish 1800 GMT 11 Aug 94

[Text] The government extended today the state of emergency for a further 60 days in Huanuco Department, except in Puerto Inca Province and the (Huacarachuco) district. The state of emergency was also extended in San Martin Department and in Yurimaguas district of Alto Amazonas Province, in Loreto Department.

First Lady Moves Out of Presidential Palace

PY0908165194 Madrid EFE in Spanish 1815 GMT 8 Aug 94

[Report by Francisco Osaba]

[Text] Lima, 8 Aug (EFE)—The fact that the wife of President Alberto Fujimori, Susana Higuchi, has abandoned the conjugal home—the Peruvian Government Palace—over supposed political disagreements has shocked the political class and most of the 22 million Peruvian inhabitants.

Susana Higuchi de Fujimori left the presidential palace last week after reporting a violation of her constitutional rights by the electoral law.

In a letter, Susana Higuchi criticized a presidential decree promulgated on 13 July 1994 which clearly bans relatives of the current president (in this case Fujimori) from running for the presidency or for a seat in Congress.

Over the past few months Mrs. Fujimori has reportedly expressed her desire to run for a seat in Congress. Political and journalistic sources stated that she wants to run for the vice presidency of the Nation or perhaps, who knows, even for the presidency.

She repeatedly disagreed with her husband's political leadership, although she termed his administration positive.

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Susana always regretted the fact that her husband and the people around him have disregarded what she calls "the human factor of the government policy."

She said recently: "We need to put more emphasis on the human factor. For example, on the salaries of teachers and other workers, and on retirement pensions and the health area."

"The achievements of a nation are not reflected only in the projects that are seen. I do not think these achievements are the results of the work of one man alone," she added in a clear reference to the president's policy of continuous dedications.

The conjugal and political confrontations of the Peruvian presidential couple are not new. They go back many years and possibly result from their social origin.

They are both engineers. He is a 56-year-old agronomist, while she is a 43-year-old civil engineer, but her social background is different. While Alberto Fujimori comes from a humble family of Japanese peasant immigrants, she comes from the Higuchi family, prosperous businessmen in Japan who run an important automobile spare parts company in Peru.

Her relatives have stated that the first lady is a resolute, decisive, and intelligent woman who did not hesitate to confront and criticize her husband's family because, as she said, of the amazing benefits he granted them.

The Fujimori couple has four children: two boys and two girls: Sachi, Keiko, Kenyi, and Hiro. Apparently the first three—the fourth is studying in the United States—have sided with their father in the current marriage crisis.

Proof of this can be seen in that they accompanied him over the past weekend to Colombia to attend Ernesto Samper's inauguration.

People close to the first lady, who is currently living at a girl-friend's house, are considering ways to end the crisis. Most Peruvians look upon this as if they were watching a TV "soap opera."

Last Saturday, President Fujimori asked his wife, via a television program, to return to her family and resume her official activities. The president appealed to her maternal instincts, saying her daughters Sachi and Keiko were very saddened by the situation. He said: "Telling the world the president and his wife are fighting over the presidency of the Republic is not beneficial."

Fujimori asked for the privacy of his family to be respected, "because, like any other couple, we also have our little problems, but everything remains at home," he said.

Likewise, in a television interview aired on Sunday night, Susana Higuchi said that her withdrawal from the family was just "a type of vacation to meditate and to be able to reason impartially."

Concerning the possibility of running for the presidency, and the comment by her husband that she "is not prepared for that," Mrs. Fujimori said her husband "is overwhelmed by his machismo." She has not yet decided whether to announce her presidential candidacy.

Meanwhile, regardless of her decision, President Fujimori has already dismissed most members of her wife's official team, including press personnel and her closest advisers.

First Lady Returns

PY1108202294 Lima Global de Television Network in Spanish 0130 GMT 11 Aug 94

[Excerpts] The first lady of Peru, Susana Higuchi de Fujimori, has returned to the Government Palace after announcing that she would return to the house of the Odria family in El Surco.

She returned to the presidential palace upon announcing that a television show will be aired on behalf of the street children of Peru by the end of this month.

Although a few minutes earlier she had said that she would return to the (Casuarinas) residence, Susana Higuchi returned to the palace, but with no specific reason. However, she returned to the presidential palace while the president of the Republic was fulfilling his activities outside the presidential residence. [passage omitted]

Moreover, although she tried to avoid the family conflict issue, she said, upon being pressured by the press, that she left the Government Palace because she was a woman of firm ideas. [passage omitted]

Economy Minister Camet on Fujimori, Economy, Military

94SM0424A Lima DEBATE in Spanish May-Jun 94 pp 8-14

[Interview with Economy and Finance Minister Jorge Camet by Augusto Alvarez Rodrich and Pilar Davila in Lima, date not given, "No Desire for Limelight"; first paragraph is editorial introduction]

[Text] Slender, serious, and unhurried in speech, Jorge Camet has impressed a special style on the position of minister of economy. During the year in which he has presided over the Ministry of Economy and Finance he has given only a small number of interviews. He advised us: "You have to manage this ministry with the least possible concern for the limelight." As a special gesture to the publication APOYO Camet agreed to have representatives of DEBATE visit him at his home for a more personal interview on his experience as a successful building contractor, business leader, and minister in charge of continuity and the strengthening of the structural reforms undertaken by this government. Accustomed to a low profile, Camet is a good strategist who, at

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crucial moments, keeps a cool head and knows how to "accommodate" the demands of conflicting groups.

[Alvarez] You have the reputation of being a good negotiator.

[Camet] That is what people say.

[Alvarez] Did you have a hard time convincing the IMF [International Monetary Fund] of the need to increase spending on social programs in 1994?

[Camet] More than negotiating well, it is a matter of presenting things adequately and generating credibility. When you give weighty reasons, it is logical for negotiations to follow along the right path.

[Alvarez] How different has it been to serve as minister of economy both before and since the purchase of telecommunications companies by the Telephone Company?

[Camet] This privatization program initially gave me great satisfaction. However, shortly thereafter it caused me great concern, because it awoke the temptation to go back on the economic program. I believe that the euphoria has now passed. Furthermore, the people are aware that the money obtained from privatization cannot be spent freely but should be turned into productive investments.

[Alvarez] Do you believe that the people really understand the reforms?

[Camet] The reforms have been understood to a greater or lesser degree. We Peruvians have learned a great deal in the last few years. In the first place the people are relieved at the decline in inflation. Furthermore, the people are receiving support from the government through the construction of small roads, irrigation channels, drainage ditches, and so forth, which benefit their communities.

[Alvarez] From your perspective as a building contractor, which are the priority public works projects which should be carried out?

[Camet] Never again should we build white elephants. For that reason we are setting up in the Ministry of Economics and Finance a technical, public investment unit to establish priorities for public works. I believe that a large number of small projects should be built: local roads, public services, and, of course, projects related to health and education. That is, what FONCODES [National Compensation and Social Development Fund] and the president himself are doing.

[Alvarez] Do you believe that the time has come to give way a little on the subject of inflation, in exchange for improving the rate of exchange a little?

[Camet] The problem is that when you aim at ending the year with an annual inflation rate of 20 percent, you may wind up with 26 or 18 percent. I believe that we should not lower our guard. We have to try to complete the effort to stabilize the economy, since the country needs investment and more job opportunities. A necessary condition for that is to wipe out inflation. For example, I believe that an annual inflation rate of 25 percent is still a very high rate. Perhaps inflation does not necessarily have to decline to the level of a single digit, since in Peru we have lived very happily with rates of inflation between 10 and 15 percent.

[Alvarez] What do you think about being on the other side of the counter, having moved from being president of CONFIEP [National Confederation of Private Business] to the Ministry of Economy? What would you say to the businessmen who ask that now, in view of the resources obtained from privatization, we should abolish taxes considered counterproductive, such as the minimum tax on income or applying the "draw back" principle to exporters?

[Camet] The resources obtained from privatization should not be used in any way to reduce taxes. Eliminating taxes such as the minimum tax on income or authorizing the use of the "draw back" principle will be done when tax collections increase. Through a major effort at collecting taxes, including very harsh measures against tax evaders, we could collect, from the IGV [General Sales Tax] alone, seven more percentage points of GDP [Gross Domestic Product].

[Alvarez] Do you think that the tax administration is moving slowly?

[Camet] I believe that it could move more quickly and that we should concentrate on the General Sales Tax. In this way we should collect one or two percentage points more of GDP in 1994. We have to realize that the supply of goods to the informal sector comes from two sources: smuggling and business firms in the formal sector themselves. Now we have obtained the services of two experts who are going to help us on these matters. I hope that in 1994 we will increase tax collections.

[Alvarez] May we go back some time? What do you think of the time you spent at the university?

[Camet] I am very grateful for the experience. I entered the School of Engineers, as the UNI [National Engineering University] was then called, when it was very difficult to do so, since the entrance examination called for greater knowledge than we obtained in secondary school. You had to study very intensively for the examination. The School of Engineers was a university with a very high level of discipline, where the students did not indulge in political strikes, which were more common at the University of San Marcos. The quality of the teaching at that time was similar to that of the best North American universities. We had very good professors. Ricardo Valencia, for example, was an extraordinary mathematician. Another outstanding professor was Jose del Carmen Marin, who presented his views on national development in the course on national defense. At times

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we applauded him at the end of class. Another professor whom I remember very well was Marco Fernandez Baca, who taught a course on the resistance of materials.

[Alvarez] Was Fernando Belaunde one of your teachers?

[Camet] He was my professor in a course called "Urban Development," which we took in fifth year, as a matter of general education. He was a very agreeable professor who dressed very carefully. He had not yet become involved in politics, but it was clear that he had every wish to do so. He talked to us about urban planning and he dreamed about a vocational training facility, such as the Huampani vocational training center, which had not yet been established at that time.

[Alvarez] What did you do after graduating from the School of Engineers?

[Camet] I took things easy and went to parties for about a year, until I became serious and began to look for work. They gave me a job at Cilloniz, Olazabal & Urquiaga, which paid 800 soles a month. The first project on which I worked was the residential unit of Santa Maria in Callao, where I learned a lot about construction, thanks to a project boss called Gregorio Caycho, an extraordinary man. I worked for that company for five years. They promoted me regularly, and I went from apprentice to section boss, with 10 engineers under me. But I always had the ambition to work for myself.

[Alvarez] When did you decide to do that?

[Camet] When I was 28, I established my own company, which, in fact, amounted to one person—myself. I set up my "office" in one of the rooms of my home. However, little by little, too many bill collectors came to my door, and I had to open an office on Avenida Washington. I hired a secretary to keep track of my accounts and an assistant engineer. That is how the firm of J & J Camet was established.

[Alvarez] What qualities should a good builder have?

[Camet] He should understand that each project is different and that you cannot standardize them. There is always a risk of bidding on a job at a fixed price and then losing money. You have to know how to estimate possible productivity. The most difficult thing is to make sure that the estimate is borne out. You have to know how to program your activity and anticipate many of your problems.

[Alvarez] What did the military government mean to Peruvian businessmen?

[Camet] It meant danger and serious harm. The sugar business, for example, virtually disappeared. Nevertheless, I believe that the military government did this without any bad intentions. Several of those military officers were totally mistaken patriots. Their intentions, inspired by the ideas of General Marin to develop the country, were not so bad in themselves. However, they were mistaken in their diagnosis of the situation, which was based on the view that the country was not working. They thought that this was the fault of a few members of the oligarchy who were taking advantage of the situation. For this reason they felt that they had to come in and rearrange things.

[Alvarez] How do you explain why, despite your disagreement with the views of the military, you became the president of the state owned company, EPCHAP [Public Enterprise for Marketing Fishmeal and Fish Oil], in 1972?

[Camet] The minister of fisheries at that time was Javier Tantalean, whom I knew from spending the summers at the same beach for many years. Once he told me that they were going to establish a state owned company to sell fishmeal. He wanted me to become one of the directors to provide a business emphasis to its management. One year later, when I was working on a project, he again called me and said: "Velasco signed your appointment yesterday as president of EPCHAP." My first reaction was to remind him that I knew something about concrete and bricks, but the only thing that I knew about fishmeal was that it existed. As a result, I said that I refused the appointment. His answer was: "It makes no difference because then you can bring in new ideas and look at things from another point of view." In passing that shows with what ingenuity the military officers thought that they were able to govern the country, a matter about which they knew very little, in reality. Furthermore, Tantalean said to me: "You know how Velasco is. You cannot be so rude to him." I answered that Velasco had no right to put me on a board of directors without consulting me. However, Tantalean insisted, "You are not going to do that to Velasco."

[Alvarez] How did you deal with this challenge?

[Camet] I knew that fishmeal was a "commodity" which was very difficult to sell. I learned about it, I talked with Luis Banchero and Andres Castro, the manager of EPCHAP, and I decided that I could be a catalyst, on condition that I could bring in people at the business level. I discussed the matter with Tantalean, and he said that this could not be done, because they probably would want to sabotage the revolution. I answered that no one was going to sabotage his own pocket. He consulted with Velasco and on the following day he told me that I could do it but that I should do it "secretly." In that way I could bring capable executives from the private sector into the management of that state company. There was a Committee on Sales, made up of Banchero and Sotomayor, among others, and a Committee on Shipments which included Walter Piazza, for example. For the legal aspects our adviser was Felipe Osterling. There were about 30 private businessmen who worked on this program, and we did it very well. However, later on the military people expropriated the fishing industry, and we all quit. The company was left without top management. However, as it was very well organized, they kept it going after undertaking the sale of milk, meat, wheat, and other products.

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[Alvarez] You received another government position in 1977 to preside over a multisectoral committee to review the situation and prospects of state owned companies.

[Camet] One day I expressed my concern to General Arbulu about the disastrous situation facing the state owned companies and the harm which they were doing to the country. Then he asked me to write a memorandum to be discussed with Gen Morales Bermudez, who was already president of Peru. After that he called me in to set up a team to analyze the subject. The team included, among others, Alberto Bruce and Jaime Yoshiyama. Once again we did a serious job, with cooperation from people from the private sector, such as Castro and Piazza. We presented the results to a cabinet meeting. However, from the expressions on the faces of the various ministers we saw that they did not like the idea that a cabinet minister—who is a politician—should not make business decisions. No one opposed what we said. They simply listened without interest. The person who showed the greatest displeasure was Gaston Ibanez, the minister of industry. The diagnosis which we presented did not lead to any subsequent action.

[Alvarez] How were the military people at that time?

[Camet] They train the military to be self-sufficient. If a military man believes that he is not going to win the war, then he has no future. With that kind of view they are capable of believing that they can do anything well: either be cabinet ministers or technical specialists. Many of them did not even feel a need for having advisers.

[Alvarez] Do you believe that subsequent governments lost an opportunity to undertake the economic reforms which are now under way?

[Camet] Belaunde lost the opportunity to carry out the reforms, beginning even with his first administration. He was regarded as a man with new ideas. He began well by abolishing the Fund for Credit Allocations and establishing the Banco de la Nacion [National Bank]. However, he stopped there. He was always very little interested in the economy. In his second administration he was a dreamer. He contributed to all of those years of poor leadership of state administration.

[Alvarez] When did you decide to become a business leader, first in CAPECO [Peruvian Construction Board] and then in CONFIEP [National Confederation of Private Business]?

[Camet] As a very young man I participated in the work of one of the CAPECO committees. Years later they asked me to be a candidate for president of the board, but I did not accept for family reasons. I took over the position of vice president, under pressure from Jaime Olaechea, who was president. Later on, I was a member of other boards of directors, and finally they elected me president. I was reelected for two more years. When I was in my second term as president of CAPECO, I became a candidate for president of CONFIEP, was elected, and then reelected for another period in that office.

[Alvarez] You were president of CONFIEP at a complicated time: the elections of 1990. How did you react when you learned that Fujimori was winning the elections?

[Camet] My first reaction was one of much concern, an attitude shared by the great majority of businessmen. When Fujimori won in the second round, there was a major discussion in CONFIEP on whether or not we should extend our congratulations to him. We did not want it to be thought that we businessmen were climbing onto the bandwagon. Finally, we decided that we had to send our greetings to the president elect. One day they called the 31 presidents of business associations to meet at the Hotel Crillon at 1100. On the same day I had to give a speech before CAEM [Advanced Military Studies Center] at 0800. At 1000 I left the meeting to go to the center of the city. On the way there I stopped off at a small cafe in Barranco to prepare a list of subjects to take up with Fujimori. I arrived at 1100 on the dot because I knew that if I arrived ahead of time, the others would drive me crazy with advice on what I should or should not say to the president.

[Alvarez] What did you say to President Fujimori?

[Camet] After congratulating him I said that there were some matters which we would like to discuss with him. I remember two of them: the rate of exchange and privatization. Fujimori was there with Fernando Villaran and Santiago Roca, his advisers. At that time he changed his advisers frequently. While I was speaking, he took notes of everything, as he continues to do now. When I finished, Fujimori said: "I brought my economists, but that is not necessary, since I am going to answer." He said that the rate of exchange should make it possible for exporters to make reasonable profits. Regarding privatization, he regretted that he did not share our ideas, since he was thinking about making the state-owned companies efficient. Then he added something which had an impact on me because later on I saw this in practice. He said: "I am a very personal type of man who wants to know and see everything." Later on I listened while he said something about the trips which he made abroad, but I had no greater personal contact with him, since he is a very solitary man.

[Alvarez] How is Fujimori? What impresses you about him?

[Camet] His intelligence and the speed and depth with which he grasps things impress me. He is also very positive. He is a politician who is not committed to anyone, absolutely anyone. Despite the fact that he has never been a manager, I see that he is naturally gifted to do that, because he has a strongly executive manner. For example, he has abolished formal cabinet meetings, which seems like a good idea to me. He wants to know

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everything that is important at all times. He takes the initiative and communicates by telephone, as is done in business firms. I have a personal regard for him. I feel that he is a friend.

[Alvarez] As president of CONFIEP you played a central role in ensuring that businessmen support a very harsh economic program. Did this require much of an effort?

[Camet] Support built up gradually among businessmen, despite the fact that many of them went off on their own and came out daily in opposition to matters such as the reduction of tariff duties. In effect I was one of the pacifiers who tried to convince businessmen to support measures in favor of a free market. I recall that in CONFIEP we joined in listening to the message in which Juan Carlos Hurtado applied "shock treatment." We listened to his speech, together with Julio Velarde and Augusto Blacker, two advisers of the Ministry of Economy and Finance. Then we stayed on, talking until 0200. For some people the message was a real bomb.

[Alvarez] What was your first reaction to the message of President Fujimori on the night of 5 April?

[Camet] I felt incredible surprise. Now, seeing things in perspective, I understand the process better. For example, during the trips which we made with Fujimori, we businessmen used to say to him that we were concerned that Congress was blocking reform. I remember very well the last trip before 5 April. We businessmen were in the rear of the airplane when suddenly Fujimori appeared and raised the subject again. Although he had certainly already planned what he was going to do on 5 April, he asked us to suggest what should be done to deal with the impasse. We suggested a referendum to him. He answered that the constitution did not provide for this. He asked us to help him to find a legal way to resolve the situation.

[Alvarez] Where were you on the night of 5 April?

[Camet] Bolona had asked me to come to his house at 2100. When I arrived, Mrs. Bolona told me that the president had just called in her husband urgently, but he would certainly return soon. She asked me to wait. We were talking in the living room, when suddenly one of their daughters came into the room with an alarmed expression. She said: "Mama, there is a message from Fujimori on television. It sounds as if he is carrying out a coup d'etat!"

[Alvarez] A few weeks later you assumed the position of minister of economy and finance. Why did you accept that position?

[Camet] During the days following the events of 5 April Bolona resigned, which worried us a great deal in CONFIEP because at that time he, Bolona, was playing a central role in the reforms which had recently been applied. Then we in CONFIEP prepared a letter to the president, telling him that, although we did not agree with some aspects of Bolona's policies, we considered his continued presence in the government essential. We were so concerned it was decided that Juan Antonio Aguirre Roca, who had just been elected president of CONFIEP, would ask Fujimori for an appointment to present our point of view to him personally. As he did not know Fujimori, he asked me to request the appointment, and we would go together. Curiously enough, the answer which I received from the Presidential Palace was, "Let Camet come, but alone."

[Alvarez] How did the meeting go?

[Camet] As is my custom, I made a list of the points I wished to make. The first point was to express to him my concern over the loss of capable people which the government was experiencing. The ambassador to the United States had just resigned. What was going to happen to Bolona? Then the president said to me: "I think that Bolona should stay on and, so that he will remain in the cabinet, you should serve with him in the Ministry of Industry." I immediately said no, that I was not ready, and that in 48 hours I could provide him with the names of two or three people of real quality for that position. However, Fujimori insisted that it had to be me. Finally, he told me why: "Because Bolona asked me to appoint you." My first reaction was one of annoyance. I think that I even said, "Carajo" [What the hell!], because I had been with Bolona that morning, and he had not said anything to me. Then I said to Fujimori, "When I finish talking to you, I am going to speak to Bolona. He does not know everything that I am going to say to him, because what he has done is an act of disloyalty, which I am not going to accept from him." Fujimori replied that Bolona had not said anything to me because he, Fujimori, had prohibited him from saying it. It was then 1900. The president insisted on our having another meeting four hours later at the Pentagonito [Army headquarters], which Bolona would also attend. When I arrived there, I met Bolona in the elevator. Unfortunately, there also was a colonel in the elevator, which prevented my saying to Bolona what I was thinking at that time. We talked to Fujimori until 0300 on the following day, and I wound up accepting his request.

[Alvarez] What do you think of the frequent criticisms which Bolona expresses about you?

[Camet] I have high regard for Carlos Bolona. He is intelligent, a good person, and a highly qualified professional. However, at times he has a terrible desire to be the leader, which explains many of his comments. Furthermore, he is quarrelsome by nature. He did not realize what he was doing when he began a meeting of the cabinet, saying, "I am going to be very clear, so that you will understand me." He also does not know how to be agreeable. But all of those are details. He was a good minister, and he is a good man.

[Alvarez] After four years of stabilization and reform, what is still pending on the agenda?

[Camet] First, we have to complete the process of pacification and stabilization, plus completing the

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implementation of structural reforms. In sectors such as health, education, and agriculture, for example, very little has been done. At the same time the matter of labor must make more progress, to give the system of contracting greater agility and fluidity, thereby promoting job creation.

[Alvarez] Are you concerned that not enough jobs are being generated and that this puts at risk the future of this program, due to the pressure of unsatisfied, social demands?

[Camet] Certainly, it concerns me. For that reason I believe that social programs are very important to generate jobs in that way, in addition to the new investment which is being made. For example, the plan for the expansion of telecommunications companies is going to require many new jobs.

[Alvarez] How can the situation regarding management ability and the lack of enough capable, human resources in the public sector be improved?

[Camet] When I entered the Ministry of Economy and Finances, I was not much concerned about this subject, because I had only agreed to stay there for six months. However, it is clear that in the public sector there is a great lack of qualified rank and file officials. For that reason we are going to undertake policies to attract talented people into the public service.

[Alvarez] How can we improve relations with the United States, which have deteriorated over the last few years?

[Camet] In my view the principal problem is basically with the U.S. Congress. It is very important to neutralize the negative information which Congress receives from some organizations. It is necessary for some Congressmen to understand that we have certain legislation to deal with an emergency which will be adjusted to the extent that the internal situation in Peru makes it possible. Furthermore, I believe that relations with the Department of State should be improved, a matter on which we are now working intensively.

[Alvarez] How should relations between civilians and the military be handled in the future?

[Camet] On this subject there have been some important changes in the last few years. It is now recognized that the president of the Republic is the commander in chief of the armed forces. I wonder whether the same thing could have happened under another president. Another significant change is that military personnel no longer have to retire after 35 years of service, if they are capable of serving longer. For example, this has made it possible to have continuity in the fight against subversion, which is reflected in the results which everyone recognizes now. Some people have protested, and that explains the cases of some unhappy generals. Another recent change is that the commander in chief of the armed forces now decides on promotions instead of Congress, which makes it possible for the military to feel obliged to curry favor with politicians. In this way the military institutions are being reformed. This requires a different perspective on the part of civilians.

[Alvarez] How probable is a coup d'etat in the next few years?

[Camet] I do not believe that it will occur, since it would not be viable. A coup would not survive the international isolation which it would generate. There would be embargoes, and the OAS [Organization of American States] and the United States would intervene. In a context of the globalization of the economy, that would be very negative.

[Alvarez] What do you think of the next elections campaign?

[Camet] Despite the fact that some polls show that Dr. Javier Perez de Cuellar is leading, I believe that President Fujimori is in a better position. Fujimori's main strength is in the areas immediately outside the cities and in the belts of poverty within the cities. On the other hand, we do not know how the people will react when Perez de Cuellar outlines his elections platform and carries on his style of campaign. I do not see much prospect for Belmont and I do not believe that another candidate will appear out of nowhere.

[Alvarez] What advice would you give to your successor in the Ministry of Economy?

[Camet] I would advise him to do his job with the lowest profile possible and to continue in the basic direction of the present economic program.

[Alvarez] And what should be the agenda at the meeting which the business associations will have with the person who will be the next president of Peru in 1995?

[Camet] I would say the same. To continue with economic recovery, through the completion of the stabilization program and the reforms presently being applied.

Venezuela

Government Warns Haiti Invasion Will Prompt 'Embarrassment'

PA1208004894 Madrid EFE in Spanish 2315 GMT 11 Aug 94

[Text] Caracas, 11 Aug (EFE)—The Venezuelan Government's initiative is aimed at preventing "the embarrassment and humiliation an invasion of Haiti would represent for the hemisphere," Venezuelan Foreign Minister Miguel Angel Burelli said today.

Venezuela has proposed that a group of Latin American foreign ministers travel to Port-au-Prince to convince Haiti's military leaders to leave the country and avert an invasion authorized by the UN Security Council.

Burelli said he has received messages of solidarity about the initiative from all over the world, and he specifically

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mentioned Israel, Senegal, Poland, Indonesia, and the Holy See. Burelli denied that the existence of two initiatives—the Venezuelan initiative and one from the "Group of Friends"—reflects a leadership dispute, because both have the same objective. The Venezuelan politician said that if the initiative is unsuccessful, a U.S. invasion of Haiti is "inevitable."

Emergency Board Acts on Banks

PA1208015094 Caracas Union Radio Network in Spanish 1100 GMT 10 Aug 94

[From the "Union Radio News" newscast]

[Text] The Financial Emergency Board has issued a communique stating that the banks in which the government has recently intervened will continue to operate normally. Cecilia Cayone has the details:

[Cayone] As part of the policy to tidy up and strengthen the national financial system, the Financial Emergency Board has held several meetings in the past few days to come up with a set of decisions that will accelerate, both coherently and comprehensively, a definite solution to the solvency or liquidity problems currently afflicting certain financial institutions.

In this regard, the Financial Emergency Board, headed by the finance minister and comprised of Antonio Casas Gonzalez, Norys Aguirre, Tesalio Cadenas, Enrique Sanchez, Hugo Romero, Alonso Velasco Sanchez, and presidential commissioner Gustavo Roosen—after listening to the various reports presented by the Bank Superintendency—made the following decisions on 7 August:

1. Assume control of more than 90 percent of the stock of the Banco de Venezuela today, 8 August, through the Deposit Guarantee and Banking Protection Fund [Fogade]. A special meeting will be called to allow the Venezuelan state to recover its share immediately through Fogade.

2. The Financial Emergency Board has learned of the proposals presented by the shareholders of Banco Progreso with the purpose of improving their financial situation. The basic points of their program are:

A. Capitalization plan for the bank by its principal shareholders. In turn, they will create a trust fund at the Banco Industrial de Venezuela, which will serve as a guarantee for the institution's necessary liquidity.

B. The shareholders agree to capitalize the bank with up to 20 billion bolivares for the next eight months, for which the shareholders have created another trust fund, which will serve as a guarantee for the advance payments made by the fund.

C. Three principal directors and four alternates will be appointed to Banco Progreso's Board of Directors. In this regard, we acknowledge the special effort made in this case by Banco Progreso's shareholders, who have accepted managerial assistance by the Venezuelan state. The objectives of reorganization, strengthening the financial situation, increasing the bank's liquidity, and creating a second merging phase with Banco Republica were conceived as important objectives within this program. A financial balance has been restored with the group's assistance.

3. The Financial Emergency Board found the same situation at Banco Consolidado. A stabilization program to achieve financial balance was approved. Immediate steps will be taken to reorganize the institution's operations. The objective will be accomplished in tandem by the management of Banco Consolidado and representatives of the Venezuelan state. The principal shareholder of Banco Consolidado will subscribe to a high liquidity trust fund in the Banco Latino of up to 23 billion bolivares. This will address its liquidity problems during the 18-month reorganization.

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